

# CEDAR FAIR L P

## **FORM 10-K** (Annual Report)

Filed 03/30/00 for the Period Ending 12/31/99

Address	ONE CEDAR POINT DRIVE SANDUSKY, OH 44870
Telephone	4196260830
CIK	0000811532
Symbol	FUN
SIC Code	7990 - Miscellaneous Amusement And Recreation
Industry	Recreational Activities
Sector	Services
Fiscal Year	12/31

# CEDAR FAIR L P

## FORM 10-K (Annual Report)

Filed 3/30/2000 For Period Ending 12/31/1999

Address	P O BOX 5006 SANDUSKY, Ohio 44871
Telephone	419-626-0830
CIK	0000811532
Industry	Recreational Activities
Sector	Services
Fiscal Year	12/31

# FORM 10 - K

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR

15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR

15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

*Commission file number 1-9444*

### CEDAR FAIR, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

34-1560655  
(I.R.S. Employer  
Identification No.)

One Cedar Point Drive, Sandusky, Ohio 44870-5259  
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code (419) 626-0830

#### Securities registered pursuant to Section 12(b) of the Act:

Title of each class Depository Units (Representing Limited Partner Interests)	Name of each exchange on which registered New York Stock Exchange
--	--

#### Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

The aggregate market value of Depository Units held by non-affiliates of the Registrant based on the closing price of such units on February 1, 2000 of \$18.6875 per unit was \$924,000,000.

Number of Depository Units representing limited partner interests outstanding as of February 1, 2000: 51,980,183.

#### DOCUMENTS INCORPORATED BY REFERENCE

1999 Annual Report to Unitholders incorporated by reference into

Part II (Items 5-8) and Part IV (Item 14).

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# CEDAR FAIR, L.P.

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## **PART I**

### **ITEM 1. BUSINESS.**

Cedar Fair, L.P. is a publicly traded Delaware limited partnership managed by Cedar Fair Management Company (the "General Partner").

Cedar Fair, L.P. and its affiliated companies (the "Partnership") own and operate five amusement parks: Cedar Point, located on Lake Erie between Cleveland and Toledo in Sandusky, Ohio; Knott's Berry Farm, located near Los Angeles in Buena Park, California; Dorney Park & Wildwater Kingdom ("Dorney Park"), located near Allentown in South Whitehall Township, Pennsylvania; Valleyfair, located near Minneapolis-St. Paul in Shakopee, Minnesota; and Worlds of Fun/Oceans of Fun ("Worlds of Fun"), located in Kansas City, Missouri. The parks are family-oriented, with recreational facilities for people of all ages, and provide clean and attractive environments with exciting rides and entertainment. The Partnership also owns and operates separate-gated water parks at Cedar Point, Worlds of Fun and Knott's Berry Farm, and another, which was acquired in December 1999, near San Diego in Chula Vista, California. All principal rides and attractions at the parks are owned and operated by the Partnership and its affiliated companies.

The Partnership's four seasonal parks are generally open daily from 9:00 a.m. to 10:00-12:00 at night from early May until Labor Day, after which they are open during weekends in September and October. As a result, virtually all of the operating revenues of these parks are derived during an approximately 130-day operating season. Knott's Berry Farm is open daily from 9:00-10:00 a.m. to 6:00-12:00 at night on a year-round basis. Each park charges a basic daily admission price, which allows unlimited use of all rides and attractions with the exception of Challenge Park and Soak City at Cedar Point, Challenge Park at Valleyfair, go-kart and bumper boat attractions at Dorney Park, and Oceans of Fun and RipCord at Worlds of Fun. The demographic groups that are most important to the parks are young people ages 12 through 24 and families. Families are believed to be attracted by a combination of the rides and entertainment and the clean, wholesome atmosphere. Young people are believed to be attracted by the action-packed rides. During their operating seasons, the parks conduct active television, radio, and newspaper advertising campaigns in their major market areas.

The Partnership also operates Knott's Camp Snoopy, a 7-acre indoor amusement park at the Mall of America in Bloomington, Minnesota, under a management contract that expires in 2012.

### **CEDAR POINT**

Cedar Point, which was first developed as a recreational area in 1870, is located on a peninsula in Sandusky, Ohio bordered by Lake Erie and Sandusky Bay, approximately 60 miles west of Cleveland and 100 miles southeast of Detroit. Cedar Point is believed to be the largest seasonal amusement park in the United States, measured by the number of rides and attractions and the ride capacity per hour. It serves a six-state region in the Midwestern United States, which includes nearly all of Ohio and Michigan, western Pennsylvania and New York, northern West Virginia and Indiana and southwestern Ontario, Canada. The park's total market area includes approximately 22 million people, and the major areas of dominant influence in this market area, which are Cleveland, Akron, Toledo, Detroit, Columbus, Flint, Saginaw and Youngstown, include approximately 12 million people.

The main amusement areas of Cedar Point consist of over two miles of midways, with more than 65 rides and attractions, including the new "Millennium Force," a 310-foot-tall, world-record-breaking roller coaster, which is scheduled to open in May 2000; "Magnum XL-200," "Raptor," "Mantis" and "Mean Streak," which are among the world's tallest steel, inverted, stand-up and wood roller coasters, respectively; nine additional roller coasters; "Power Tower," a 300-foot-tall thrill ride; live entertainment shows featuring talented college students in four theaters; "Snake River Falls," one of the world's tallest water flume rides; "Camp Snoopy," a family play-land themed around the popular "PEANUTS" comic strip characters; the Cedar Point Cinema, which features a film using an IMAX projection system on a 66-foot by 88-foot screen in a 950-seat theater; a museum; bathing beach facilities; "Soak City" water park, an extra-charge attraction that includes "Zoom Flume," a large water slide raft ride, twelve additional water slides, two river rafting rides, two children's activity areas, and a giant wave pool; and "Challenge Park," an extra-charge attraction area that includes "RipCord," a free-fall ride from a height of more than 15 stories, a 36-hole themed miniature golf course and three go-kart tracks. In addition, there are more than 50 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

Cedar Point also owns and operates four hotel facilities. Breakers Express, scheduled to open for the 2000 season, is a 350- room, limited-service seasonal hotel, which will be located near the Causeway entrance to the park. Cedar Point's largest hotel, the historic Hotel Breakers, has more than 600 guest rooms, including 230 in the 10-story Breakers Tower. Hotel Breakers has various dining and lounge facilities, a private beach, lake

swimming, a conference/meeting center and two outdoor pools; and the Breakers Tower has 18 tower suites with spectacular views, an indoor pool, and a TGI Friday's restaurant. In addition to Breakers Express and the Hotel Breakers, Cedar Point offers the lakefront Sandcastle Suites Hotel, which features 187 suites, a private beach, lake swimming, a courtyard pool, tennis courts and the Breakwater Cafe, a contemporary waterfront restaurant. The park's only year-round hotel is the Radisson Harbour Inn, a 237-room full-service hotel, located at the Causeway entrance to the park, with an adjoining TGI Friday's restaurant.

Cedar Point also owns and operates the Cedar Point Marina, one of the largest full-service marinas on the Great Lakes, which provides dockage facilities for over 650 boats, and has been fully renovated over the past two seasons with floating docks and full guest amenities; and Camper Village, which provides sites for approximately 225 recreational vehicles.

The Partnership, through a wholly owned subsidiary, owns and operates the Cedar Point Causeway across Sandusky Bay. This Causeway is a major access route to Cedar Point. The Partnership also owns dormitory facilities located near the park that house up to 2,875 of the park's approximately 3,800 seasonal employees.

## **KNOTT'S BERRY FARM**

Knott's Berry Farm, located near Los Angeles in Buena Park, California, first opened in 1920 and was acquired by the Partnership in late 1997. Knott's Berry Farm is one of several year-round theme parks in Southern California and serves a total market area of approximately 20 million people centered in Orange County, and a large national and international tourism population.

Knott's Berry Farm is comprised of six distinctively themed areas, including "Ghost Town," "Wild Water Wilderness," "The Boardwalk," "Indian Trails," "Fiesta Village" and "Camp Snoopy." The park offers more than 40 rides and attractions, including the new "Perilous Plunge," a 121-foot-tall water ride that will reach a speed of 50 mph and generate the largest splash in amusement park history; "Supreme Scream," a 300-foot-tall thrill ride; "Ghost Rider," one of the tallest, longest and fastest wooden roller coasters in the West; four additional roller coasters; "Bigfoot Rapids," a white water raft ride; "Timber Mountain Log Ride," one of the first log flume rides in the United States; a nostalgic train ride; an antique Dentzel carousel; an old-fashioned ferris wheel; a 2,100-seat theatre; a children's activity area themed with the popular "PEANUTS" comic strip characters; live entertainment shows in 22 indoor and outdoor theatre venues; and "Independence Hall," an authentic replica of the Philadelphia original, complete with a 2,075 pound Liberty Bell. In addition, there are more than 30 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas in the park, as well as Knott's California Marketplace, a dining and shopping area that is located outside the park's gates and is available free of charge.

The park is also renowned for its seasonal promotions, including a special Christmas promotion, "Knott's Merry Farm," and a spectacular Halloween event called "Knott's Scary Farm," which celebrated its 27th year in 1999 and is widely acknowledged as the best in the industry.

Beginning in June 2000, the park will also offer "Knott's Soak City U.S.A.," an extra-charge seasonal water park that will feature 21 separate water rides and attractions, including 16 high-speed water slides, a wave pool, a lazy river, a children's activity area, food and merchandise shops, and a second story sundeck available for public dining and catered events.

Knott's Berry Farm also owns and operates the Radisson Resort Hotel, a 320-room, full-service hotel located adjacent to the park, which was acquired in February 1999 and has been completely renovated for the 2000 season.



In December 1999, the Partnership acquired White Water Canyon, located just south of San Diego in Chula Vista, California. This three-year-old water park offers its guests more than 20 water rides and attractions, including 16 water slides, a wave pool and a children's activity area, as well as food and merchandise shops. Beginning with the 2000 season, the park will be renamed "Knott's Soak City U.S.A.-San Diego."

## **DORNEY PARK & WILDWATER KINGDOM**

Dorney Park, which was first developed as a summer resort area in 1884, was acquired by the Partnership in 1992, and is located near Allentown in South Whitehall Township, Pennsylvania. Dorney Park is one of the largest amusement parks in the Northeast and serves a total market area of approximately 35 million people. The park's major markets include Philadelphia, New Jersey, New York City, Lancaster, Harrisburg, York, Scranton, Wilkes-Barre, Hazleton and the Lehigh Valley.

Dorney Park features more than 50 rides and attractions, including "Camp Snoopy," a family play-land themed around the popular "PEANUTS" comic strip characters, and "Mad Mouse," a modern version of the classic "Wild Mouse" ride, both of which are scheduled to open in 2000; "Dominator," a 200-foot-tall thrill ride; "Steel Force," one of the tallest and fastest roller coasters in the world; "Hercules," a world-class wooden roller coaster; three additional roller coasters; "White Water Landing," one of the world's tallest water flume rides featuring a guest splash basin; "Thunder Canyon," a white-water rafting ride; the "Cedar Creek Cannonball" train ride; "Wildwater Kingdom," one of the largest water parks in the United States featuring twelve water slides, including the "Pepsi Aquablast," the longest elevated water slide in the world, a giant wave pool and two children's activity areas; "Thunder Creek Mountain," a water flume ride; a giant ferris wheel; live musical shows featuring talented college students; an antique Dentzel carousel carved in 1921; and beginning in 2000 an extra-charge attraction called "SkyScraper," which stands 85 feet tall and spins passengers seated at opposite ends of a long vertical arm at speeds of more than 50 mph. In addition, there are more than 30 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

## **VALLEYFAIR**

Valleyfair, which opened in 1976 and was acquired by the Partnership's predecessor in 1978, is located near Minneapolis- St. Paul in Shakopee, Minnesota, and is the largest amusement park in Minnesota. Valleyfair's market area is centered in Minneapolis-St. Paul, which has a population of approximately two million, but the park also draws visitors from other areas in Minnesota and surrounding states with a combined population of eight million.

Valleyfair offers more than 35 rides and attractions, including the new "Power Tower," a 275-foot-tall thrill ride, which is scheduled to open in 2000; "Wild Thing," one of the tallest and fastest roller coasters in the world; "Mad Mouse," a family-style roller coaster; four additional roller coasters; a water park named "Whitewater Country," which includes "Hurricane Falls," a large water slide raft ride, and "Splash Station," a children's water park; "Thunder Canyon," a white-water raft ride; "The Wave," a water flume ride featuring a guest splash basin; a nostalgic train ride; a giant ferris wheel; a log flume ride; a 500-seat amphitheater; a kiddie ride area; "Challenge Park," an extra-charge attraction area which includes "RipCord," a free- fall ride from a height of more than 15 stories, a Can-Am-style go-kart track and a 36-hole themed miniature golf course; "Berenstain Bear Country," which is an indoor/outdoor children's activity area; "The Hydroblaster," a 40-foot tall wet/dry slide, or "water coaster;" and a 430-seat indoor theatre for live show presentations. In addition, there are more than 20 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

## **WORLDS OF FUN**

Worlds of Fun, which opened in 1973, and Oceans of Fun, the adjacent water park that opened in 1982, were acquired by the Partnership in 1995. Located in Kansas City, Missouri, Worlds of Fun serves a total market area of approximately seven million people centered in Kansas City, but also including most of Missouri, as well as portions of Kansas and Nebraska.

Worlds of Fun is a traditional amusement park themed around Jules Verne's adventure book Around the World in Eighty Days. The park offers more than 50 rides and attractions, including the new "Boomerang," a 12-story-tall steel roller coaster, scheduled to open in 2000; "Mamba," one of the tallest and fastest roller coasters in the world; "Timber Wolf," a world-class wooden roller coaster; "Orient Express," a steel looping roller coaster; "Detonator," a 185-foot-tall thrill ride, which launches riders straight up its twin-tower structure; "RipCord," an extra-charge attraction which lifts riders to a height of more than 15 stories before dropping them back to earth in a free fall; "Monsoon," a water flume ride; "Fury of the Nile," a white-water rafting ride; a 4,000-seat outdoor amphitheater; live musical shows; and "Berenstain Bear Country," a major indoor/outdoor children's activity area. Oceans of Fun, which requires a separate admission fee, features a wide variety of water attractions including "Hurricane Falls," a large water slide raft ride; "The Typhoon," one of the world's longest dual water slides; a giant wave pool; and several children's activity areas, including "Crocodile Isle." In addition, the park offers more than 25 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

## **WORKING CAPITAL AND CAPITAL EXPENDITURES**

The Partnership carries significant receivables and inventories of food and merchandise during the operating season. Seasonal working capital needs are met with a revolving credit facility.

The General Partner believes that annual park attendance is to some extent influenced by the investment in new attractions from year to year. Capital expenditures are planned on a seasonal basis with the majority of such capital expenditures incurred in the period from October through May, just prior to the beginning of the peak operating season. Capital expenditures made in a calendar year may differ materially from amounts identified with a particular operating season because of timing considerations such as weather conditions, site preparation requirements and availability of ride components, which may result in accelerated or delayed expenditures around calendar yearend.

## **COMPETITION**

In general, the Partnership competes with all phases of the recreation industry within its primary market areas of Cleveland, Detroit, Los Angeles, San Diego, Philadelphia, Minneapolis-St. Paul, and Kansas City, including several other amusement/theme parks in the Partnership's market areas. The Partnership's business is subject to factors generally affecting the recreation and leisure market, such as economic conditions, changes in discretionary spending patterns and weather conditions.

In Cedar Point's major markets, its primary amusement park competitors are Paramount Kings Island in southern Ohio, and Sea World of Ohio and Six Flags-Ohio near Cleveland.

In Southern California, Knott's Berry Farm's primary amusement/theme park competitors are Disneyland, which is approximately 10 minutes away, Universal Studios, approximately 40 minutes away, and Six Flags Magic Mountain, approximately 75 minutes away. The San Diego Zoo and Sea World-San Diego are located approximately 90 minutes from Knott's. LEGOLAND, a children's park that opened in 1999, is located approximately 70 minutes away in Carlsbad, California.

Dorney Park faces significant competition, with Hershey Park in central Pennsylvania and Six Flags Great Adventure in New Jersey being the major competitors in its market area.

In Worlds of Fun's major markets, its primary amusement park competitors are Six Flags Over Mid-America in eastern Missouri and Silver Dollar City in southern Missouri.

Adventureland, a theme park in Des Moines, Iowa, is located approximately 250 miles from Valleyfair and Worlds of Fun.

The principal competitive factors in the amusement park industry include the uniqueness and perceived quality of the rides and attractions in a particular park, its proximity to metropolitan areas, the atmosphere and cleanliness of the park, and the quality and variety of the food and entertainment available. The Partnership believes that its amusement parks feature a sufficient quality and variety of rides and attractions, restaurants, gift shops and family atmosphere to make them highly competitive with other parks.

## **GOVERNMENT REGULATION**

All rides are run and inspected daily by both the Partnership's maintenance and ride operations personnel before being put into operation. The parks are also periodically inspected by the Partnership's insurance carrier and, at Cedar Point and Dorney Park, by state ride-safety inspectors.

## **EMPLOYEES**

The Partnership has approximately 1,200 full-time employees. During the operating season, Cedar Point, Valleyfair, Dorney Park and Worlds of Fun have approximately 3,800, 1,500, 2,700 and 2,200 seasonal employees, respectively, most of whom are high school and college students. Knott's Berry Farm hires approximately 1,000 seasonal employees for peak periods and 1,200 part-time employees who work year-round. Approximately 2,800 of Cedar Point's seasonal employees and 380 of Valleyfair's seasonal employees live in dormitories owned by the Partnership. The Partnership maintains training programs for all new employees, and believes that its relations with its employees are good.

## **ITEM 2. PROPERTIES.**

Cedar Point is located on approximately 365 acres owned by the Partnership on the Cedar Point peninsula in Sandusky, Ohio. The Partnership also owns approximately 80 acres of property on the mainland adjoining the approach to the Cedar Point Causeway. The new Breakers Express hotel, the Radisson Harbour Inn and adjoining TGI Friday's restaurant, two seasonal-employee housing complexes and a fast-food restaurant operated by the Partnership are located on this property.

The Partnership controls, through ownership or an easement, a six- mile public highway and owns approximately 38 acres of vacant land adjacent to this highway, which is a secondary access route to Cedar Point and serves about 250 private residences. The roadway is maintained by the Partnership pursuant to deed provisions. The Cedar Point Causeway, a four-lane roadway across Sandusky Bay, is the principal access road to Cedar Point and is owned by a subsidiary of the Partnership.

Knott's Berry Farm is situated on approximately 160 acres, virtually all of which have been developed. Knott's Soak City U.S.A.-San Diego is located on 65 acres, of which 33 acres have been developed and 32 acres remain available for future expansion.

Dorney Park is situated on approximately 200 acres, of which 170 acres have been developed and 30 acres remain available for future expansion.

At Valleyfair approximately 125 acres have been developed, and approximately 75 additional acres remain available for future expansion.

Worlds of Fun is located on approximately 350 acres, of which 235 acres have been developed and 115 acres remain available for future expansion.

The Partnership, through its subsidiary Cedar Point of Michigan, Inc., owns approximately 450 acres of land in southern Michigan.

All of the Partnership's property is owned in fee simple without encumbrance. The Partnership considers its properties to be well maintained, in good condition and adequate for its present uses and business requirements.

**ITEM 3. LEGAL PROCEEDINGS.**

Not applicable.

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S DEPOSITARY UNITS AND RELATED UNITHOLDER MATTERS.

Cedar Fair, L.P. Depositary Units representing limited partner interests are listed for trading on The New York Stock Exchange under the symbol "FUN" (CUSIP 150185 10 6). As of February 15, 2000, there were approximately 11,000 registered holders of Cedar Fair, L.P. Depositary Units, representing limited partner interests, including 3,200 participants in the Partnership's distribution reinvestment plan. The cash distributions declared and the high and low prices of the Partnership's units are shown in the table below:

1999	Distribution	High	Low
4th Quarter	\$.3625	\$21 1/4	\$18 7/16
3rd Quarter	.3625	24 15/16	20 5/8
2nd Quarter	.3500	26	23 1/4
1st Quarter	.3500	26	23 1/4

  

1998	Distribution	High	Low
4th Quarter	\$.3250	\$26 15/16	\$22
3rd Quarter	.3250	28 13/16	21 3/4
2nd Quarter	.3200	30 1/8	25 1/2
1st Quarter	.3200	28 5/8	25

## ITEM 6. SELECTED FINANCIAL DATA.

	For the years ended December 31,				
	1999	1998	1997(1)	1996	1995(2)
(In thousands except amounts per unit and per capita)					
OPERATING DATA					
Net revenues	\$438,001	\$419,500	\$264,137	\$250,523	\$218,197
Operating income	116,755	112,608	76,303	81,121	73,013
Net income	85,804	83,441	68,458	74,179	66,136
Per limited partner unit(6)	1.63	1.58	1.47	1.59	1.45
FINANCIAL POSITION					
Total assets	\$708,961	\$631,325	\$599,619	\$304,104	\$274,717
Working capital					
(deficit)	(62,375)	(56,264)	(40,472)	(27,511)	(27,843)
Long-term debt	261,200	200,350	189,750	87,600	80,000
Partners' equity	349,986	341,991	285,381	169,994	151,476
DISTRIBUTIONS DECLARD					
Per limited partner unit	\$1.425	\$1.29	\$1.265	\$1.20	\$1.1375
OTHER DATA					
Depreciation and amortization	\$35,082	\$32,065	\$21,528	\$19,072	\$16,742
EBITDA(7)	151,837	144,673	97,831	100,193	89,755
Capital expenditures	80,400	68,055	44,989	30,239	28,520
Combined attendance	10,600	10,825	6,844	6,920	6,304
Combined guest per capita spending(8)	\$34.58	\$33.20	\$32.66	\$31.75	\$30.29

	1994(3)	1993(4)	1992(5)	1991	1990
OPERATING DATA					
Net revenues	\$198,358	\$178,943	\$152,961	\$127,950	\$121,962
Operating income	68,016	57,480	49,111	42,394	40,324
Net income	62,825	61,879	42,921	35,975	33,173
Per limited partner unit (6)	1.40	1.38	0.98	0.84	0.78
FINANCIAL POSITION					
Total assets	\$223,982	\$218,359	\$209,472	\$142,532	\$141,668
Working capital (deficit)	(25,404)	(22,365)	(19,028)	(14,616)	(13,446)
Long-term debt	71,400	86,800	89,700	65,900	69,900
Partners' equity	115,054	99,967	81,333	55,132	51,755
DISTRIBUTIONS DECLARED					
Per limited partner unit	\$1.0625	\$0.9625	\$0.8625	\$0.7625	\$0.675
OTHER DATA					
Depreciation and amortization	\$14,960	\$14,473	\$12,421	\$10,314	\$9,706
EBITDA(7)	82,976	71,953	61,532	52,708	50,030
Capital expenditures	19,237	23,813	15,934	10,333	15,168
Combined attendance	5,918	5,511	4,857	4,088	4,130
Combined guest per capita spending(8)	\$30.04	\$28.86	\$27.98	\$27.84	\$26.64



**NOTE 1 - Knott's Berry Farm is included in 1997 data only for the**  
three days subsequent to its acquisition on December 29, 1997.

**NOTE 2 - Worlds of Fun/Oceans of Fun is included in 1995 data for**  
the period subsequent to its acquisition on July 28, 1995.

**NOTE 3 - The 1994 operating results include nonrecurring gains of**  
\$2.1 million relating to insurance claim settlements, partially offset by a \$0.7 million charge to interest expense for refinancing of long-term debt.

**NOTE 4 - The 1993 operating results include a nonrecurring credit**  
for deferred taxes of \$11.0 million, or \$0.25 per unit.

**NOTE 5 - Dorney Park & Wildwater Kingdom is included in 1992 data**  
for the period subsequent to its acquisition on July 21, 1992.

**NOTE 6 - Net income per limited partner unit is computed based on**  
the weighted average number of units outstanding and equivalents outstanding - assuming dilution.

**NOTE 7 - EBITDA represents earnings before interest taxes,**  
depreciation and amortization.

**NOTE 8 - Guest per capita spending includes all amusement park,**  
causeway tolls and parking revenues for the amusement park operating season. Revenues from water park, marina, hotel, campground and other out-of-park operations are excluded from these statistics.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

### **Management's Analysis of Results of Operations**

Net revenues for the year ended December 31, 1999 were \$438.0 million, a 4% increase over the year ended December 31, 1998. This followed a 59% increase in 1998, when revenues rose to \$419.5 million from \$264.1 million in 1997, impacted by the inclusion of Knott's Berry Farm, which was acquired on December 29, 1997. Net revenues for 1999 reflect a 4% increase in combined in-park guest per capita spending and an increase of 18% increase in out-of-park revenues, offset slightly by a 2% decrease in combined attendance (to 10.6 million from 10.8 million in 1998). In 1999, Knott's Berry Farm and Dorney Park both had record years, which nearly offset attendance declines at Cedar Point, Valleyfair and Worlds of Fun caused by the lack of major new rides and some less than ideal weather conditions.

In 1998, Knott's Berry Farm's full-year contribution accounted for most of the increase in combined attendance and revenues. Meanwhile, attendance at the Partnership's original four parks was up 7% over 1997, due to the successful debuts of Power Tower at Cedar Point and Mamba at Worlds of Fun, as well as improved weather at Cedar Point throughout the season. In addition, Dorney Park achieved its second straight record year. In 1997, Dorney Park and Worlds of Fun both had excellent years, which nearly offset attendance declines at Cedar Point and Valleyfair caused by unusually cool and wet weather during important parts of the season, and combined attendance was down 1% to 6.8 million. Combined guest per capita spending increased 2% in 1998 and 3% in 1997.

Costs and expenses before depreciation and amortization in 1999 increased to \$286.2 million from \$274.8 million in 1998 and \$166.3 million in 1997, in part due to the inclusion of the Buena Park Hotel's operations in 1999 and Knott's Berry Farm's operations beginning in 1998. Included in costs and expenses are approximately \$6.4 million of incentive fees earned by the General Partner in 1999. This compares to \$5.4 million and \$4.7 million of incentive fees earned in 1998 and 1997, respectively.

Operating income in 1999 increased 4% to \$116.8 million, following a 48% increase in 1998 and a 6% decrease in 1997. The 1999 increase in operating income was largely the result of increased revenues and operating margins at Knott's Berry Farm, offset by higher depreciation expense from significant capital expenditures in recent years. In 1998, operating income increased as the result of increases in attendance and guest per capita spending at each of the Partnership's original four parks, together with Knott's Berry Farm's first full-year profit contribution. In 1997, operating income decreased as the result of attendance declines at Cedar Point and Valleyfair.

Net income for 1999 increased 3% to \$85.8 million compared to \$83.4 million in 1998 and \$68.5 million in 1997. In 1999, interest expense rose due to higher short-term interest rates and borrowings for the acquisitions of the Buena Park Hotel in February and White Water Canyon in December. The provision for partnership taxes, new in 1998, increased in 1999 based on the increase in taxable revenues.

For 2000, the Partnership plans to invest a record \$110 million in capital improvements, including Millennium Force, the world's tallest and fastest roller coaster, and the Breakers Express hotel at Cedar Point; a major water ride and a multi-million-dollar water park at Knott's Berry Farm; and Valleyfair's new 275-foot-tall thrill ride, Power Tower. An additional \$11 million has been invested in the renovation of the Buena Park Hotel at Knott's. We are optimistic that these major investments, as well as other improvements at each of the parks, will generate a high level of public interest and acceptance. However, stable population trends in our market areas and uncontrollable factors, such as weather, the economy, and competition for leisure time and spending, preclude us from anticipating significant long-term increases in attendance at our parks. Historically, the Partnership has been able to improve its profitability by continuing to make substantial investments in its parks and resort facilities. This has enabled us to maintain consistently high attendance levels as well as steady increases in guest per capita spending and revenues from guest accommodations, while carefully controlling operating and administrative expenses.

## **Partnership Financial Condition**

The Partnership ended 1999 in sound financial condition in terms of both liquidity and cash flow. The negative working capital ratio of 3.6 at December 31, 1999 is the result of the Partnership's highly seasonal business and careful management of cash flow. Receivables and inventories are at normally low seasonal levels and credit facilities are in place to fund current liabilities, capital expenditures and pre-opening expenses as required.

In 1999, cash generated from operations totaled \$124.0 million and new bank borrowings totaled \$60.9 million. The Partnership used \$80.4 million for capital expenditures, \$29.0 for acquisitions, \$72.5 million for distributions to the general and limited partners, and \$3.4 million to repurchase limited partnership units on the open market. Distributions in 2000, at the current annual rate of \$1.45 per unit, would total approximately \$75 million, 4% higher than the distributions paid in 1999.

The Partnership has available through April 2002 a \$200 million revolving credit facility, of which \$161.2 million was borrowed and in use as of December 31, 1999. An additional \$90 million revolving credit facility is available through November 2000 to fund peak seasonal requirements. Credit facilities and cash flow are expected to be adequate to meet seasonal working capital needs, planned capital expenditures and regular quarterly cash distributions.

## **Additional Year 2000 Disclosure:**

The Partnership implemented all changes believed to be needed for its computer-dependent rides and equipment and its internal information systems, and did not experience any significant malfunctions or errors in its operating or business systems when the year changed from 1999 to 2000. Based on operations since January 1, 2000, the Partnership does not expect any significant impact to its ongoing business as a result of the Year 2000 issue. However, as daily operations at the Partnership's seasonal parks will not begin until April and May of 2000, it is possible that the full impact of the date change has not been fully recognized. The Partnership believes that any future problems, not yet recognized, are likely to be minor and correctable.

In addition, the Partnership's parks could be negatively impacted if its major utility or financial service providers are adversely affected by the Year 2000 issue. The Partnership currently is not aware of any significant Year 2000 problems that have arisen for its principal suppliers of essential utilities or financial services.

The Partnership expended less than \$1 million in Year 2000 readiness efforts from 1997 to 1999. These efforts included replacing some outdated, noncompliant hardware and reprogramming or replacing some noncompliant software.

#### **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

To The Partners of Cedar Fair, L.P.: We have audited the accompanying consolidated balance sheets of Cedar Fair, L.P. (a Delaware limited partnership) and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of operations, partners' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cedar Fair, L.P. and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States.

#### **ARTHUR ANDERSEN LLP**

Cleveland, Ohio,  
January 24, 2000.

CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands except per unit data)

For the years ended December 31,	1999	1998	1997
Net revenues			
Admissions	\$217,499	\$213,869	\$135,625
Food, merchandise and games	184,190	178,529	105,944
Accommodations and other	36,312	27,102	22,568
	438,001	419,500	264,137
Cost and expenses:			
Cost of products sold	49,404	48,061	26,006
Operating expenses	185,937	178,827	108,800
Selling, general and administrative	50,853	47,939	31,500
Depreciation and amortization	35,082	32,065	21,528
	321,246	306,892	187,834
Operating income	116,755	112,608	76,303
Interest expense, net	15,371	14,660	7,845
Income before taxes	101,384	97,948	68,458
Provision for taxes	15,580	14,507	--
Net income	85,804	83,441	68,458
Net income allocated to general partners	429	417	330
Net income allocated to limited partners	\$85,375	\$83,024	\$68,128
Earnings Per Limited Partner Unit:			
Weighted average limited partner units and equivalents outstanding - Basic	51,928	51,161	45,965
Net income per limited partner unit - Basic	\$1.64	\$1.62	\$1.48
Weighted average limited partner units and equivalents outstanding - Diluted	52,390	52,414	46,265
Net income per limited partner unit - Diluted	\$1.63	\$1.58	\$1.47

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED BALANCE SHEET

(In thousands)

December 31,	1999	1998
Assets		
Current Assets:		
Cash	\$ 638	\$ 1,137
Receivables	7,457	6,253
Inventories	11,951	10,245
Prepays	4,138	3,332
Total current assets	24,184	20,967
Land, Buildings and Equipment:		
Land	134,884	127,050
Land improvements	95,240	88,924
Buildings	207,973	178,795
Rides and equipment	391,312	368,138
Construction in progress	44,484	12,691
	873,893	775,598
Less accumulated depreciation	(199,253)	(175,554)
	674,640	600,044
Intangibles, net of amortization	10,137	10,314
	\$708,961	\$631,325
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable	\$ 21,563	\$ 17,031
Distribution payable to partners	18,860	16,979
Accrued interest	2,789	3,154
Accrued taxes	20,176	18,956
Accrued salaries, wages and benefits	10,831	9,170
Self-insurance reserves	9,371	8,174
Other accrued liabilities	2,969	3,767
Total current liabilities	86,559	77,231
Other Liabilities	11,216	11,753
Long-Term Debt:		
Revolving credit loans	161,200	100,350
Term debt	100,000	100,000
	261,200	200,350
Partners' Equity:		
Special L.P. interests	5,290	5,290
General partners	549	492
Limited partners, 51,798 and 51,980 units		
outstanding in 1999 and 1998, respectively	344,147	336,209
	349,986	341,991
	\$708,961	\$631,325

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

For the years ended December 31,	1999	1998	1997
Cash Flows From (For) Operating Activities			
Net income	\$85,804	\$83,441	\$68,458
Adjustments to reconcile net income to net cash from operating activities			
Depreciation and amortization	35,082	32,065	21,528
Change in assets and liabilities, net of effects from acquisitions:			
Decrease (increase) in inventories	(1,661)	80	(214)
Decrease (increase) in current and other assets	(1,789)	105	576
Increase in accounts payable	4,384	1,371	2,455
Increase in accrued taxes	1,220	14,354	117
Increase (decrease) in self-insurances reserves	1,197	(1,332)	581
Increase (decrease) in other current liabilities	284	(2,589)	(12)
Increase (decrease) in other liabilities	(537)	1,441	3,043
Net cash from operating activities	123,984	128,936	96,532
Cash Flows From (For) Investing Activities			
Capital expenditures	(80,400)	(68,055)	(44,989)
Acquisition of Buena Park Hotel and White Water Canyon:			
Land, buildings rides and equipment acquired	(29,026)	--	--
Negative working capital assumed	21	--	--
Acquisition of Knott's Berry Farm:			
Land, buildings rides and equipment acquired	--	--	(261,685)
Negative working capital assumed, net of cash acquired	--	--	10,281
Net cash (for) investing activities	(109,405)	(68,055)	(296,393)
Cash Flows From (For) Financing Activities			
Acquisition of Buena Park Hotel & White Water Canyon:			
Borrowings on revolving credit loans	29,005	--	--
Acquisition of Knott's Berry Farm:			
Borrowings on revolving credit loans	--	--	94,500
Issuance of limited partnership units	--	--	157,402
Redemption of limited partnership units	--	(7,464)	--
Other net borrowing (payments) on revolving credit loans	31,845	(39,400)	12,150
Borrowings (repayments) of term debt	--	50,000	(4,500)
Distributions paid to partners	(72,485)	(65,400)	(58,254)
Repurchase of limited partnership units	(3,443)	--	--
Withdrawal of Special General Partner	--	--	(196)
Net cash from (for) financing activities	(15,078)	(62,264)	201,102
Cash:			
Net increase (decrease) for the period	(499)	(1,383)	1,241
Balance, beginning of period	1,137	2,520	1,279
Balance, end of period	\$638	\$1,137	\$2,520
Supplemental Information:			
Cash payments for interest expense	\$15,736	\$13,091	\$7,874
Interest capitalized	400	--	--
Cash payments for income taxes	14,360	--	--
Reduction in final purchase price of Knott's Berry Farm	--	3,506	--

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY  
(In thousands except unit and per unit amounts)

	Special L.P. Interests	General Partner's Equity	Limited Partners' Equity	Total Partners' Equity
Balance at December 31, 1996	\$ 5,290	\$ 717	\$163,987	\$169,994
Withdrawal of Special General Partner	--	(196)	--	(196)
Allocation of net income	--	330	68,128	68,458
Partnership distributions declared (\$1.265 per limited partner unit)	--	(438)	(58,089)	(58,527)
Issuance of 6,482,433 limited partner units for the acquisition of Knott's Berry Farm	--	--	157,402	157,402
Reclassification of 2,000,000 redeemable limited partnership units	--	--	(51,750)	(51,750)
Balance at December 31, 1997	5,290	413	279,678	285,381
Expiration of redemption rights on 1,721,717 limited partnership units	--	--	44,286	44,286
Reduction of final purchase price of Knott's Berry Farm by 144,383 units	--	--	(3,506)	(3,506)
Allocation of net income	--	417	83,024	83,441
Partnership distributions declared (\$1.29 per limited partner unit)	--	(338)	(67,273)	(67,611)
Balance at December 31, 1998	5,290	492	336,209	341,991
Repurchase of 182,335 limited partnership units	--	--	(3,443)	(3,443)
Allocation of net income	--	429	85,375	85,804
Partnership distributions declared (\$1.425 per limited partner unit)	--	(372)	(73,994)	(74,366)
Balance at December 31, 1999	\$5,290	\$549	\$344,147	\$349,986

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Notes To Consolidated Financial Statements

### (1) Partnership Organization:

Cedar Fair, L.P. (the "Partnership") is a Delaware limited partnership which commenced operations in 1983 when it acquired Cedar Point, Inc., and became a publicly traded partnership in 1987. At December 31, 1999 there were 51,980,183 limited partnership units registered on The New York Stock Exchange.

On November 22, 1999, the Partnership announced a program to repurchase up to \$25,000,000 of its limited partnership units. As of December 31, 1999, 182,335 units had been repurchased by the Partnership at an approximate cost of \$3,443,000.

The Partnership's General Partner is Cedar Fair Management Company an Ohio corporation owned by the Partnership's executive management (the "General Partner"). Effective July 1, 1997, CF Partners, the Special General Partner, voluntarily withdrew from the Partnership and, in accordance with the Partnership Agreement, received \$400,000 as final payment of the balance of its 1997 fees. After this transaction, the Partnership's limited partner units represent, in the aggregate, a 99.5% interest in income, losses and cash distributions of the Partnership, compared with a 99.0% interest in prior periods. The General Partner owns a 0.5% interest in the Partnership's income, losses, and cash distributions except in defined circumstances, and has full control over all activities of the Partnership.

For the services it provides, the General Partner earns a fee equal to .25% of the Partnership's net revenues, as defined, and also earns incentive compensation when quarterly distributions exceed certain levels as defined in the Partnership Agreement. The General Partner earned \$7,467,000, \$6,405,000, and \$5,335,000 of total fees in 1999, 1998 and 1997, respectively.

The General Partner may, with the approval of a specified percentage of the limited partners, make additional capital contributions to the Partnership, but is only obligated to do so if the liabilities of the Partnership cannot otherwise be paid or there exists a negative balance in its capital account at the time of its withdrawal from the Partnership. The General Partner, in accordance with the terms of the Partnership Agreement, is required to make regular cash distributions on a quarterly basis of all the Partnership's available cash, as defined.

### (2) Summary Of Significant Accounting Policies:

The following policies are used by the Partnership in its preparation of the accompanying consolidated financial statements.

### Principles Of Consolidation

The consolidated financial statements include the accounts of the Partnership and its wholly-owned subsidiaries. All significant intercompany transactions and balances are eliminated in consolidation.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during each period. Actual results could differ from those estimates.

**Inventories**

The Partnership's inventories primarily represent purchased products, such as merchandise and food, for sale to its customers. All inventories are valued at the lower of first-in, first-out (FIFO) cost or market.

**Depreciation and Amortization**

The Partnership's policy is to provide depreciation on a straight- line basis over the estimated useful lives of its assets. The composite method is used for the group of assets acquired as a whole in 1983, as well as for the groups of like assets of each subsequent business acquisition. The unit method is used for all individual assets purchased.

Under the composite depreciation method, assets with similar estimated lives are grouped together and the several pools of assets are depreciated on an aggregate basis. Gains and losses on the retirement of assets, except those related to abnormal retirements, are credited, or charged to accumulated depreciation. Accumulated gains and losses on asset retirements under the composite depreciation method have not been significant.

Under the unit method of depreciation, individual assets are depreciated over their estimated useful lives, with gains and losses on all asset retirements recognized currently in income.

The weighted average useful lives combining both methods are approximately:

Land improvements	24 Years
Buildings	30 Years
Rides	18 Years
Equipment	10 Years

Goodwill is amortized on a straight-line basis over a 40-year period.

**Segment Reporting**

The Partnership is in the single business of operating amusement parks with accompanying resort facilities.

## Income Taxes

Because of its legal structure, the Partnership is not subject to regular corporate income taxes; rather, the Partnership's tax attributes are included in the individual tax returns of its partners. Neither the Partnership's financial reporting income, nor the cash distributions to unitholders, can be used as a substitute for the detailed tax calculations which the Partnership must perform annually for its partners. Net income from the Partnership is not treated as "passive income" for federal income tax purpose. As a result, partners subject to the passive activity loss rules are not permitted to offset income from the Partnership with passive losses from other sources.

The tax returns of the Partnership are subject to examination by state and federal tax authorities. If such examination result in changes to taxable income, the tax liability of the partners could be changed accordingly.

Federal and state tax legislation in 1997 provided a permanent income tax exemption to existing "publicly traded partnerships," such as Cedar Fair, L.P., with new taxes to be levied on partnership gross income (net revenues less cost of products sold) beginning in 1998. The Partnership recorded provisions of \$15.6 million and \$14.5 million for these new federal and state taxes in 1999 and 1998, respectively. If the new taxes had been in effect in prior years, the Partnership would have recorded a tax provision of approximately \$8.3 million in 1997.

## Earnings Per Unit

The Partnership has presented, and where appropriate, restated earnings per unit amounts for all periods to conform with Statement of Financial Accounting Standards No. 128 (Earnings per Share). For purposes of calculating the basic and diluted earnings per limited partner unit, no adjustments have been made to the reported amounts of net income. The unit amounts used are as follows:

	1999	1998	1997
	(In thousands except per unit data)		
Basic weighted average units outstanding	51,928	51,161	45,965
Effect of dilutive units:			
Deferred units (see Note 5)	422	355	291
Contingent units - Knott's Acquisition (see Note 7)	40	898	9
Diluted weighted average units outstanding	52,390	52,414	46,265
Net income per unit-basic	\$1.64	\$1.62	\$1.48
Net income per unit-diluted	\$1.63	\$1.58	\$1.47

### (3) Long-Term Debt:

At December 31, 1999 and 1998, long-term debt consisted of the

following:

	1999	1998
	(In thousands)	
Revolving credit loans	\$161,200	\$100,350
Term debt	100,000	100,000
	\$261,200	\$200,350

#### **Revolving Credit Loans**

The Partnership is party to a credit agreement with five banks under which it has available a \$200 million revolving credit facility through April 2002. In November 1999, the Partnership entered into a new, 364-day credit agreement with the bank group for an additional \$90 million revolving credit facility through November 2000. Borrowings under these credit facility were \$161.2 million as of December 31, 1999, at an average interest rate of 6.5%. The maximum outstanding balance during 1999 was \$206.9 million.

Borrowings under these agreements bear interest at the banks' prime lending rate, with more favorable LIBOR and other rate option. The agreements require the Partnership to pay a commitment fee of up to 0.225% per annum on the daily unused portion of the credit. The Partnership, at its option, may make prepayments without penalty and reduce the loan commitments.

#### **Term Debt**

In 1994, the Partnership refinanced \$50 million in senior notes at an interest rate of 8.43%. The Partnership is required to make annual repayments of \$10 million in August 2002 through August 2006 and may make prepayments with defined premiums.

In 1998, the Partnership entered into another note agreement for the issuance of an additional \$50 million in 6.68% senior notes to refinance a portion of the Knott's Berry Farm acquisition. The Partnership is required to make annual repayments of \$10 million in August 2007 through August 2011 and may make prepayments with defined premiums.

The fair value of the aggregate future repayments on term debt at December 31, 1999, as required by Statement of Financial Accounting Standards No. 107 would be approximately \$100.9 million, applying a discount rate of 7.5%.

## **Covenants**

Under the terms of the debt agreements, the Partnership, among other restrictions, is required to maintain a specified level of net tangible assets, as defined, and comply with certain cash flow interest coverage, and debt to net worth levels. The Partnership was in compliance with these covenants as of December 31, 1999.

### **(4) Special L.P. Interests:**

In accordance with the Partnership Agreement, certain partners were allocated \$5.3 million of 1987 and 1988 taxable income (without any related cash distributions) for which they received Special L.P. Interests. The Special L.P. Interests do not participate in cash distributions and have no voting rights. However, the holders of Special L.P. Interests will receive in the aggregate \$5.3 million upon liquidation of the Partnership.

### **(5) Retirement Plans:**

The Partnership has trustee, noncontributory retirement plans for the majority of its employees. Contributions are discretionary and were \$3,340,000 in 1999, \$3,229,000 in 1998, and \$1,360,000 in 1997.

The Partnership also has two benefit plans under which nonunion employees can contribute specified percentages of their salary matched up to a limit by the Partnership. Contributions by the Partnership to these plans approximated \$1,162,000 in 1999, \$1,215,000 in 1998, and \$450,000 in 1997.

In addition, approximately 125 employees are covered by union-sponsored, multi-employer pension plans for which approximately \$462,000, \$400,000, and \$359,000 were contributed for the years ended December 31, 1999, 1998, and 1997, respectively. The Partnership believes that, as of December 31, 1999, it would have no withdrawal liability as defined by the Multiemployer Pension Plan Amendments Act of 1980.

In 1992, the Partnership amended its policy for payment of fees earned by the General Partner to permit a portion of such fees to be deferred for payment after retirement or over certain vesting periods as established by the Board of Directors. Payment will be made in a combination of limited partnership units and cash. The amounts deferred were \$3,249,000 in 1999, \$2,866,000 in 1998, and \$2,409,000 in 1997, including the value of 170,976, 115,216, and 90,470 limited partnership units issuable in future years, which are included in the calculation of diluted weighted average units outstanding. Amounts not payable within 12 months of the balance sheet date are included in Other Liabilities.

(6) Contingencies:

The Partnership is a party to a number of lawsuits arising in the normal course of business. In the opinion of management, these matters will not have a material effect in the aggregate on the Partnership's financial statements.

(7) Acquisitions:

On December 7, 1999, the Partnership acquired White Water Canyon, a water park located near San Diego in Chula Vista, California, for a cash purchase price of \$11.6 million. The purchase price has been allocated to assets and liabilities acquired based on their relative fair values at the date of acquisition. White Water Canyon's assets, liabilities and results of operations since December 7, 1999 are included in the accompanying consolidated financial statements.

On February 19, 1999, the Partnership acquired the 320-room Buena Park Hotel, which is adjacent to Knott's Berry Farm in Buena Park, California. The purchase price of \$17.5 million has been allocated to the assets and liabilities acquired based on their relative fair values at the date of acquisition. The hotel's assets, liabilities and results of operations since February 19, 1999 are included in the accompanying consolidated financial statements.

On December 29, 1997 the Partnership acquired Knott's Berry Farm, a privately held partnership which owned and operated Knott's Berry Farm theme park in Buena Park, California and managed Knott's Camp Snoopy at the Mall of America in Bloomington, Minnesota. Knott's Berry Farm is a traditional, family-oriented theme park and Knott's Camp Snoopy is the nation's largest indoor theme park.

The initial transaction price consisted of 6,482,433 unregistered limited partnership units (valued at an average price of \$24.2813, or \$157.4 million in the aggregate) and the payment of \$94.5 million in cash borrowed under the revolving credit agreement. In December 1998, the transaction price was reduced by 144,383 units, or \$3.5 million in the aggregate, to reflect final adjustments to the purchase price.

Under the terms of the acquisition, the Partnership agreed to repurchase during 1998 up to an aggregate of 500,000 of these units per quarter at market prices upon demand. During 1998, the Partnership repurchased 278,283 units at an aggregate price of \$7.5 million, and the redemption rights on 1,721,717 units expired without exercise. As a result, \$44.3 million was reclassified into partners' equity during 1998 from the 1997 balance of redeemable limited partnership units.

Knott's Berry Farm's assets, liabilities and results of operations since December 29, 1997 are included in the accompanying consolidated financial statements. The acquisition has been accounted for as a purchase, and accordingly the purchase price has been allocated to assets and liabilities acquired based upon their fair values at the date of acquisition.

The table below summarizes the unaudited consolidated pro forma results of operations assuming the acquisition of Knott's Berry Farm had occurred at the beginning of 1997, with adjustments primarily attributable to interest expense relating to the refinancing of long-term debt and depreciation expense relating to the fair value of assets acquired.

Net revenues (millions)	\$392.1
Net income (millions)	\$73.1
Net income per limited partner unit-diluted	\$1.38

These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisition been made at the beginning of the periods 1997, or of results which may occur in the future.

#### **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

Not applicable.



## PART III

### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT.

Cedar Fair Management Company, an Ohio corporation owned by the Partnership's executive management (consisting of 23 individuals at February 1, 2000), is the General Partner of the Partnership and has full responsibility for the management of the Partnership. For additional information, including the fees paid to the General Partner for services rendered during 1999, attention is directed to Note 1 to the consolidated financial statements on page 10 in the Registrant's 1999 Annual Report to Unitholders, which note is incorporated herein by this reference.

Directors:

Name	Age	Position with General Partner
Richard L. Kin	59	President and Chief Executive Officer, Director since 1986
Lee A. Derrough *	55	Director since 1995
Richard S. Ferreira *	59	Director since 1997
Terry C. Hackett #	51	Director since 1997
Bruce A. Jackson	48	Corporate Vice President-Finance and Chief Financial Officer, Director since 2000
Mary Ann Jorgenson #	59	Director since 1988
Michael D. Kwiatkowski	52	Director since 2000
Donald H. Messinger #	56	Director since 1993
James L. Miears	64	Executive Vice President & General Manager-Cedar Point, Director since 1993
Thomas A. Tracy *	68	Director since 1993

\* Member of Audit Committee. # Member of Compensation Committee.

The Board of Directors of the General Partner has a Compensation Committee and an Audit Committee. The Compensation Committee reviews the Partnership's compensation and employee benefit policies and programs and recommends related actions, as well as executive compensation decisions, to the Board of Directors. The Audit Committee meets periodically with the Partnership's independent auditors, reviews the activities of the Partnership's internal audit staff, considers the recommendations of the independent and internal auditors, and reviews the annual financial statements upon completion of the audit.

Each director of the General Partner is elected for a one-year term.

Executive Officers:

Name	Age	Position with General Partner
Richard L. Kinzel	59	President and Chief Executive Officer since 1986
John R. Albino	53	Vice President & General Manager-Dorney Park since 1995
Philip H. Bender	43	Vice President-Retail Operations-Worlds of Fun since 2000
Carolyn Carey	52	Vice President-Marketing and Sales-Knott's Berry Farm since 1994
Richard J. Collingwood	60	Corporate Vice President-General Services since 1992
Jacob T. Falfas	48	Vice President & General Manager-Knott's Berry Farm since 1997
Mark W. Freyberg	46	Vice President-Park Operations-Valleyfair since 1996
Joseph E. Greene	57	Vice President-Maintenance-Dorney Park since 1996
H. John Hildebrandt	50	Vice President-Marketing-Cedar Point since 1993
Bruce A. Jackson	48	Corporate Vice President-Finance and Chief Financial Officer since 1992
Lamond H. Jasper, Jr.	45	Vice President-Maintenance-Cedar Point since 1999

**Executive Officers (continued):**

Name	Age	Position with General Partner
Lee C. Jewett	65	Corporate Vice President-Planning & Design since 1990
Daniel R. Keller	50	Vice President & General Manager-Worlds of Fun since 1995
Bonny F. Kirin-Perez	46	Vice President-Food Services/Accommodations-Knott's Berry Farm since 1999
Connie L. Lewis	53	Vice President-Merchandise-Cedar Point since 1999
Larry L. McKenzie	44	Vice President-Revenue Operations-Dorney Park since 1997
James L. Miears	64	Executive Vice President & General Manager-Cedar Point since 1993
Charles M. Paul	46	Corporate Controller since 1996
Richard R. Rau	51	Vice President-Marketing-Worlds of Fun since 2000
Jesse J. Rivera	55	Vice President-General Services-Knott's Berry Farm since 1999
Alan L. Schwartz	50	Vice President-Finance-Valleyfair since 1978
Linnea Stromberg-Wise	54	Vice President-Marketing-Valleyfair since 1995
Walter R. Wittmer	59	Vice President & General Manager-Valleyfair since 1988

**BUSINESS EXPERIENCE.****Directors:**

Richard L. Kinzel has served as president and chief executive officer since 1986. Mr. Kinzel has been employed by the Partnership or its predecessor since 1972, and from 1978 to 1986 he served as vice president and general manager of Valleyfair.

Lee A. Derrough is President and CEO of Hunt Midwest Enterprises, Inc., and has been associated with the Hunt companies since 1967. Mr. Derrough was elected as a director in 1995 pursuant to the Contribution Agreement dated July 28, 1995, which entitles Hunt Midwest Enterprises, Inc. to appoint a representative on the Board of Directors so long as it owns more than 1,380,000 units of Cedar Fair, L.P. Mr. Derrough is also a past president of the International Association of Amusement Parks and Attractions.

Richard S. Ferreira is a retired executive vice president of Golf Hosts, Inc. (developer and owner of nationally recognized resorts in Colorado and Florida) and a past member of its Board of Directors. Mr. Ferreira was associated with Golf Hosts for more than 26 years.

Terry C. Hackett is a business attorney and President of Hackett Management Corporation (real estate management) and previously served on the Board of Directors of Knott's Berry Farm from 1981 to 1997. Mr. Hackett was elected a director in 1997 as a representative of the Knott family following the acquisition of Knott's Berry Farm in December 1997.

Bruce A. Jackson has served as Corporate Vice President-Finance and Chief Financial Officer since 1992. Mr. Jackson is a certified public accountant.

Mary Ann Jorgenson is a partner in the law firm of Squire, Sanders & Dempsey L.L.P., the Partnership's General Counsel, and has been associated with the firm since 1975. She is also a director of S 2 Golf Inc. (manufacturer and distributor of golf clubs and bags) and is a director of Anthony & Sylvan Pools Corporation (manufacturer and installer of concrete in-ground swimming pools).

Michael D. Kwiatkowski has been a consultant in the food service industry since 1996, prior to which he served as Chairman of PCS, which owned and operated a chain of 11 restaurants, from 1986 to 1996. He has more than 30 years of experience in amusement parks and branded restaurant operations.

Donald H. Messinger is a partner in the law firm of Thompson Hine & Flory LLP and has been associated with the firm since 1968.

**Directors (continued):**

James L. Miears has served as Executive Vice President and General Manager of Cedar Point since 1993. In 1992, he was Senior Vice President-Merchandise of Cedar Point and prior to 1992 he served as Vice President-Merchandise of Cedar Point.

Thomas A. Tracy is a business consultant and was a partner in the public accounting firm of Arthur Andersen LLP from 1966 until his retirement in 1989.

**Executive Officers:**

Richard L. Kinzel. See "Directors" above.

John R. Albino has served as Vice President & General Manager of Dorney Park & Wildwater Kingdom since 1995. From 1993 to 1995, he served as Vice President-Food Operations of Cedar Point.

Philip H. Bender was promoted to Vice President-Retail Operations of Worlds of Fun in 2000. Prior to that, he had served as Director-Retail Operations of Worlds of Fun since 1995, and Director-Food Services of Valleyfair for more than five years before that.

Carolyn Carey has served as Vice President-Marketing and Sales of Knott's Berry Farm since 1994.

Richard J. Collingwood has served as Corporate Vice President- General Services since 1992 and has primary responsibility for human resources, purchasing and security.

Jacob T. Falfas has served as Vice-President & General Manager of Knott's Berry Farm since December 1997. From 1993 to 1997, he served as Vice President-Park Operations of Cedar Point.

Mark W. Freyberg has served as Vice President-Park Operations of Valleyfair since 1996. Prior to 1996 he served as Director-Park Operations of Valleyfair for more than five years.

Joseph E. Greene has served as Vice President-Maintenance of Dorney Park since 1996. From 1993 to 1996, he served as Director-Construction & Maintenance of Dorney Park.

H. John Hildebrandt has served as Vice President-Marketing of Cedar Point since 1993.

Bruce A. Jackson. See "Directors" above.

Lamond H. Jasper, Jr. has served as Vice President-Maintenance of Cedar Point since 1999. Prior to 1999 he served as Director- Maintenance of Cedar Point since 1995.

Lee C. Jewett has served as Corporate Vice President-Planning & Design since 1990.

Daniel R. Keller has served as Vice President & General Manager of Worlds of Fun / Oceans of Fun since 1995. From 1993 to 1995, he served as Senior Vice President-Operations of Cedar Point.

Bonny F. Kirin-Perez has served as Vice President-Food Services and Accommodations of Knott's Berry Farm since 1999. Prior to that, she served as Director-Food and Beverage of Knott's Berry Farm from 1996 to 1998, and was Director-Food and Beverage of the Atlanta Committee for the Olympics from 1994 to 1996.

Connie L. Lewis has served as Vice President-Merchandise of Cedar Point since 1999. Prior to 1999 she served as Director- Merchandise of Cedar Point for more than five years.

**Executive Officers (continued):**

Larry L. MacKenzie has served as Vice President-Revenue Operations of Dorney Park since 1997. Prior to 1997, he served as Director-Revenue Operations of Dorney Park for more than five years.

James L. Miears. See "Directors" above.

Charles M. Paul has served as Corporate Controller since 1996, and prior to that was Controller of Cedar Point for more than five years. Mr. Paul is a certified public accountant.

Richard R. Rau was promoted to Vice President-Marketing of Worlds of Fun in 2000. Prior to that, he had served as Director- Marketing of Worlds of Fun since 1996, and Director-General Services of Worlds of Fun from 1994 to 1996.

Jesse J. Rivera has served as Vice President-General Services of Knott's Berry Farm since 1999. Prior to that, he served as Director-General Services of Knott's Berry Farm from 1998 to 1999, and before that as Manager-Reprographics of Knott's Berry Farm from 1994 to 1998.

Alan L. Schwartz has served as Vice President-Finance of Valleyfair since 1978. Mr. Schwartz is a certified public accountant.

Linnea Stromberg-Wise has served as Vice President-Marketing of Valleyfair since 1995. Prior to 1995, she served as Director- Marketing of Valleyfair for more than five years.

Walter R. Wittmer has served as Vice President & General Manager of Valleyfair since 1988.

**COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.**

Section 16(a) of the Securities Exchange Act of 1934 requires the Registrant's directors, executive officers and persons who own more than ten percent of its Depositary Units ("Insiders") to file reports of ownership and changes in ownership, within 10 days following the last day of the month in which any change in such ownership has occurred, with the Securities and Exchange Commission and The New York Stock Exchange, and to furnish the Partnership with copies of all such forms they file. The Partnership understands from the information provided to it by these individuals that all filing requirements applicable to the Insiders were met for 1999, except for Messrs. Messinger and Tracy, both of whom made one inadvertently late filing due to a delay in the reporting of a purchase of units under the Partnership's reinvestment program.

# ITEM 11. EXECUTIVE COMPENSATION.

## SUMMARY COMPENSATION TABLE

(a)	(b)	Annual Compensation		Long Term Compensation	
		(c)	(d)	(f)	(i)
		Salary (\$)	Bonus (\$)	Restricted Unit Awards (\$)	All Other Compensation (\$)
Name and Principle Position	Year				
Richard L. Kinzel President and Chief Executive Officer	1999	341,539	882,148	698,523	16,281
	1998	296,924	786,067	519,500	16,200
	1997	219,538	550,907	448,688	15,950
Jacob T. Falfas, Vice President and General Manager- Knott's Berry Farm	1999	209,615	408,321	142,574	13,676
	1998	154,346	295,386	215,800	16,200
	1997	137,731	301,323	144,616	15,950
Bruce A. Jackson, Corporate Vice President Finance and Chief Financial Officer	1999	185,961	349,929	277,062	16,281
	1998	154,346	295,386	215,800	16,200
	1997	137,731	301,323	144,616	15,950
James L. Miears, Executive Vice President and General Manager- Cedar Point	1999	176,346	330,465	148,827	16,281
	1998	164,923	314,509	137,400	16,200
	1997	162,730	296,853	125,706	15,950
John R. Albino, Vice President and General Manager -Dorney Park	1999	170,961	320,838	162,007	16,281
	1998	164,923	314,509	137,400	16,200
	1997	162,730	296,853	125,706	15,950
Daniel R. Keller, Vice President and General Manager Worlds of Fun	1999	170,961	320,838	162,007	16,281
	1998	164,923	314,509	137,400	16,200
	1997	162,730	296,853	125,706	15,950
Walter W. Wittmer Vice President and General Manager- Valleyfair	1999	170,961	320,838	162,007	16,281
	1998	154,692	295,386	165,800	16,200
	1997	146,731	267,713	144,809	15,950

### Notes To Summary Compensation Table:

Column (f) Restricted Unit Awards. The aggregate number of restricted Cedar Fair, L.P. depositary units, representing limited partner interests, awarded to Messrs. Kinzel, Falfas, Jackson, Miears, Albino, Keller and Wittmer as of December 31, 1999, together with their market value at yearend, were: 97,774 (\$1,894,370), 19,698 (\$381,651), 36,863 (\$714,226), 30,815 (\$597,030), 27,821 (\$539,024), 27,272 (\$528,389), and 30,362 (\$588,271), respectively. These units will accrue additional restricted units on the date of each quarterly distribution paid by the Registrant, calculated at the NYSE closing price on that date.

Column (i) All Other Compensation. Comprises amounts accrued under the following plans:

1. Profit Sharing Retirement Plan - With respect to 1999, \$11,481 was credited to the accounts of each of the named executive officers, with the exception of Mr. Falfas who was credited with \$8,876 in 1999.
2. Employees' Savings and Investment Plan - With respect to 1999, \$4,800 was credited to the accounts of each of the named executive officer
3. Supplemental Retirement Benefits - No amounts were awarded in 1999.

Cash bonuses, restricted unit awards, and supplemental retirement benefits provided to the Partnership's executive management are reimbursed by the General Partner out of funds provided by its management and incentive fees and cash distributions from the Partnership.



COMPENSATION OF DIRECTORS.

- The Board of Directors establishes the fees paid to Directors and Board Committee members for services in those capacities. The current schedule of such fees is as follows:
- 1. For service as a member of the Board, \$15,000 per annum, payable quarterly, plus \$1,000 for attendance at each meeting of the Board;
  - 2. For service as a Board Committee member, \$250 for attendance at each Committee meeting held on the same date on which the Board of Directors meets and \$1,000 for attendance at any additional Committee meeting held on a date other than a date on which the Board of Directors meets; and
  - 3. For service as Chairman of a Committee of the Board, a fee of \$2,500 per annum.

These fees are payable only to non-management Directors. Management Directors receive no additional compensation for service as a Director. All Directors receive reimbursement from the Partnership for expenses incurred in connection with service in that capacity.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN- CONTROL ARRANGEMENTS.

Severance Compensation.

All regular, full-time, non-union affiliated employees, including the named executive officers, who have been employed by the Partnership for at least one year are eligible for severance compensation under the Cedar Fair, L.P. Severance Pay Plan. Under the Plan, employees are generally eligible for severance pay if their employment is terminated due to the elimination of the job or position, a mutually agreed-upon separation of the employee due to performance, or a change in ownership which results in replacement of the employee by the new owner. Upon termination of employment where severance compensation is payable under the Plan, the employee is entitled to receive a payment based on the following schedule:

Length of Service		Severance Pay
1 year	through 10 years	One week of pay for each full year of service
11 years	through 30 years	Ten weeks' pay plus two weeks of pay for each full year of service in excess of 10
31 years	or more	Fifty-two weeks of pay

In addition, seven executive officers of the Partnership, including each of the executive officers named in the Summary Compensation Table, are entitled to severance payments and continuation of existing insurance benefits if their employment is terminated within 24 months after any change in control occurs, as defined in a plan approved by the Board of Directors in 1995. Such severance payments and benefits range from 1.6 times the last five years' average cash compensation and 24 months of continued insurance benefits for park General Managers to three times the last five years' average cash compensation, less \$1, and 36 months of continued insurance benefits, for the President and Chief Executive Officer.

**Restricted Unit Awards.**

Restricted unit awards represent the named executive officer's right to receive Cedar Fair, L.P. units at specified future dates if the individual is still employed by the Partnership at that time. The dollars allocated to each officer are converted to a number of deferred Partnership units based on the NYSE closing price on the first Monday in December of the year granted. These units, together with quarterly distributions thereon, vest in years three through five after the date of grant, at which time unrestricted units are issued.

In the event of death, total disability, retirement at age 62 or over, removal of the General Partner, or a "change-in-control" of the Partnership (as defined), all accrued units for a participant will become fully vested and will be issued at the time of such event. Failure to remain an employee of the Partnership on any vesting date for any other reason will result in the forfeiture of all unissued deferred units of a participant.

**Supplemental Retirement Benefits.**

Supplemental retirement benefits represent the named executive officer's right to receive cash benefits from the Partnership upon retirement at age 62 or over, with a minimum of 20 years' service to the Partnership, its predecessors and/or successors. Amounts are allocated among the executive officers as approved by the Compensation Committee of the Board. Each officer's account accrues interest at the prime rate as established from time to time by the Partnership's lead bank, beginning on December 1 of the year of grant. Executive officers leaving the employ of the Partnership prior to reaching age 62 or with less than 20 years of service will forfeit their entire balance. In the event of death, total disability, retirement at age 62 or over with at least 20 years' service, or removal of the General Partner (unless resulting from reorganization of the Partnership into corporate form), all amounts accrued will become immediately and fully vested and payable to the executive officers. In the event of a "change-in-control" (as defined), all amounts accrued will become fully vested and will be funded in a trust, for the benefit of the executive officers when they reach age 62, die, or become totally disabled, whichever occurs first. At each executive officer's option, the accrued balance may be distributed in a lump sum or in a number of future payments over a period not to exceed 10 years.

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

### **A. Security Ownership of Certain Beneficial Owners.**

According to information obtained by the Partnership from Schedule 13G filings with the Securities and Exchange Commission concerning the beneficial ownership of its units (determined in accordance with the rules of the Securities and Exchange Commission), there were no parties known to the Partnership to own more than 5 percent of its Depositary Units representing limited partner interests as of February 1, 2000.

## B. Security Ownership of Management.

The following table sets forth the number of Depositary Units representing limited partner interests beneficially owned by each Director and named executive officer and by all officers and Directors as a group as of February 1, 2000.

<CAPTION Name of Beneficial Owner	Amount and Nature of Beneficial Ownership					Percent of Units	of
	Beneficial Ownership	Investment Sole	Power Shared	Voting Sole	Power Shared		
Richard L. Kinzel(1)	779,227	364,35	414,877	364,350	414,877	1.5	
Lee A. Derrough	2,000	2,000	-0-	2,000	-0-	*	
Richard S. Ferreira	2,715	400	2,315	400	2,315	*	
Terry C. Hackett(2)	478,367	-0-	478,367	-0-	478,367	*	
Bruce A. Jackson	96,197	94,197	2,000	94,197	2,000	*	
Mary Ann Jorgenson(3)	764,796	420	764,376	420	764,376	1.5	
Michael D.Kwiatkowski	-0-	-0-	-0-	-0-	-0-	*	
Donald H. Messinger	1,837	1,837	-0-	1,837	-0-	*	
James L. Miears (1)	456,917	60,938	395,979	60,938	395,979	*	
Thomas A. Tracy	7,445	5,651	1,794	5,651	1,794	*	
Jacob T. Falfas	37,854	33,709	4,145	33,709	4,145	*	
John R. Albino	50,273	50,273	-0-	50,273	-0-	*	
Daniel R. Keller(1)	457,969	74,949	383,020	74,949	383,020	*	
Walter R. Wittmer	55,250	55,250	-0-	55,250	-0-	*	
All Directors and officers as a group (30 individuals)	2,675,972	1,063,377	1,612,595	1,063,377	1,612,595	5.1	

\* Less than one percent of outstanding units.

(1) Includes 383,020 units held by a corporation of which Messrs. Kinzel, Miears and Keller, together with certain current and former executive officers of the General Partner, are shareholders and, under Rule 13d-3 of the Securities and Exchange Commission, are deemed to be the beneficial owners of these units by having shared investment and voting power. Messrs. Kinzel, Miears and Keller disclaim beneficial ownership of 331,400, 341,724 and 346,886, respectively, of these units. The units owned by the corporation have been counted only once in the total of the directors and executive officers as a group.

(2) Excludes 5,447,065 units held by other members of the Knott family.

(3) Includes 763,976 units held by certain trusts of which Mrs. Jorgenson and two other partners of Squire, Sanders & Dempsey L.L.P. are trust advisors, as to which Mrs. Jorgenson disclaims beneficial ownership.

### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.**

Attention is directed to Note 1 to the consolidated financial statements on page 10 in the Registrant's 1999 Annual Report to Unitholders, which is incorporated herein by this reference.

## **PART IV**

### **ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.**

#### **A. 1. Financial Statements**

With respect to the consolidated financial statements of the Registrant set forth below, attention is directed to pages 7-14 in the Registrant's 1999 Annual Report to Unitholders, which are incorporated herein by this reference.

- (i) Consolidated Balance Sheets - December 31, 1999 and 1998.
- (ii) Consolidated Statements of Operations - Years ended December 31, 1999, 1998 and 1997.
- (iii) Consolidated Statements of Partners' Equity - Years ended December 31, 1999, 1998 and 1997.
- (iv) Consolidated Statements of Cash Flows - Years ended December 31, 1999, 1998 and 1997.
- (v) Notes to Consolidated Financial Statements - December 31, 1999, 1998 and 1997.
- (vi) Report of Independent Public Accountants.

#### **A. 2. Financial Statement Schedules**

All Schedules are omitted, as the information is not required or is otherwise furnished.

### A. 3. Exhibits

The exhibits listed below are incorporated herein by reference to prior SEC filings by Registrant or are included as exhibits in this Form 10-K.

#### Exhibit

Number	Description
3.1*	Form of Third Amended and Restated Certificate and Agreement of Limited Partnership of Cedar Fair, L.P. (included as Exhibit A to the Prospectus).
3.2	Form of Admission and Substitution Agreement. Incorporated herein by reference to Exhibit 3.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988.
3.3	Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., dated as of December 31, 1992. Incorporated herein by reference to Exhibit 3.3 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992.
4*	Form of Deposit Agreement.
10.4	Private Shelf Agreement with The Prudential Insurance Company of America dated August 24, 1994 for \$50,000,000, 8.43% Senior Notes Due August 24, 2006.
10.9	Credit Agreement dated as of December 19, 1997 between Cedar Fair, L.P., Cedar Fair, Magnum Management Corporation and Knott's Berry Farm as co-borrowers, and KeyBank National Association, NBD Bank, National City Bank, First Union National Bank and Mellon Bank, N.A. as lenders. Incorporated herein by reference to Exhibit 10.1 to Registrant's Form 8-K filed January 13, 1998.

10.10 Amendment No. 1 dated as of January 28, 1998, to Credit Agreement dated as of December 19, 1997. Incorporated herein by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.

10.15 Bonus and Incentive Compensation Policy for Officers of Cedar Fair Management Company dated as of November 2, 1992 and amended as of October 1994.

10.17 Cedar Fair, L.P. Executive Severance Plan dated as of July 26, 1995. Incorporated herein by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1995.

10.18 Contribution Agreement by and among Cedar Fair, L.P., Knott's Berry Farm and the Partners of Knott's Berry Farm, dated December 19, 1997. Incorporated herein by reference to Exhibit 10 to Registrant's Form 8-K filed January 13, 1998.

10.19 Private Shelf Agreement with The Prudential Insurance Company of America dated January 28, 1998 for \$50,000,000, 6.68% Series B Notes Due August 24, 2011. Incorporated herein by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.

10.20 Credit Agreement dated as of November 30, 1999 between Cedar Fair, L.P., Cedar Fair, Magnum Management Corporation and Knott's Berry Farm as co-borrowers, and KeyBank National Association, Bank One, Michigan, National City Bank, First Union National Bank and Fifth Third Bank as lenders.

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21\* Subsidiaries of Cedar Fair, L.P.

\* Incorporated herein by reference to the Registration Statement on Form S-1 of Cedar Fair, L.P., Registration No. 1-9444, filed April 23, 1987.

### B. Reports on Form 8-K.

Not applicable.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CEDAR FAIR, L.P.**  
(Registrant)

DATED: March 28, 2000

/S/Richard L. Kinzel  
Richard L. Kinzel  
President and Chief Executive  
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been executed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

	Signature	Title	Date
/S/	Richard L. Kinzel Richard L. Kinzel	President and Chief Executive Officer, Director	March 28, 2000
/S/	Bruce A. Jackson Bruce A. Jackson	Corporate Vice President-Finance (Chief Financial Officer), Director	March 28, 2000
/S/	Charles M. Paul Charles M. Paul	Corporate Controller (Chief Accounting Officer)	March 28, 2000
/S/	Lee A. Derrough Lee A. Derrough	Director	March 28, 2000
/S/	Richard S. Ferreira Richard S. Ferreira	Director	March 28, 2000
/S/	Terry C. Hackett Terry C. Hackett	Director	March 28, 2000
/S/	Mary Ann Jorgenson Mary Ann Jorgenson	Director	March 28, 2000
/S/	Michael D. Kwiatkowski Michael D. Kwiatkowski	Director	March 28, 2000
/S/	Donald H. Messinger Donald H. Messinger	Director	March 28, 2000
/S/	James L. Miears James L. Miears	Executive Vice President, Director	March 28, 2000
/S/	Thomas A. Tracy Thomas A. Tracy	Director	March 28, 2000

**ANNUAL REPORT ON FORM 10-K**  
**CEDAR FAIR, L.P.**  
**For the Year Ended December 31, 1999**

**EXHIBIT INDEX**

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10.9 Credit Agreement dated as of December 19, 1997 between Cedar Fair, L.P., Cedar Fair, Magnum Management Corporation and Knott's Berry Farm as co-borrowers, and KeyBank National Association, NBD Bank, National City Bank, First Union National Bank and Mellon Bank, N.A. as lenders. Incorporated herein by reference to Exhibit 10.1 to Registrant's Form 8-K filed January 13, 1998.	*
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10.19 Private Shelf Agreement with The Prudential Insurance Company of America dated January 28, 1998 for \$50,000,000, 6.68% Series B Notes Due August 24, 2011. Incorporated herein by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.	*
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13 1999 Annual Report to Unitholders.	133
21 Subsidiaries of Cedar Fair, L.P.	*

\* Incorporated herein by reference: see Item 14 (A)(3).



**CEDAR FAIR, L.P.**

**PRIVATE SHELF AGREEMENT**

**\$100,000,000**

**PRIVATE SHELF FACILITY**

**Dated as of August 24, 1994**

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(Not Part of Agreement)

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## INFORMATION SCHEDULE

EXHIBIT A	--	FORM OF PRIVATE SHELF NOTE
EXHIBIT B	--	FORM OF REQUEST FOR PURCHASE
EXHIBIT C	--	FORM OF CONFIRMATION OF ACCEPTANCE
EXHIBIT D	--	FORM OF OPINION OF COMPANY'S COUNSEL
EXHIBIT E	--	LIST OF AGREEMENTS LIMITING DEBT

**CEDAR FAIR, L.P.**  
One Causeway Drive  
P.O. Box 5006  
Sandusky, Ohio 44871

**As of August 24, 1994**

The Prudential Insurance Company  
of America ("Prudential")

Each Prudential Affiliate (as hereinafter defined) which becomes bound by certain provisions of this Agreement as hereinafter provided  
(together with Prudential, the "Purchasers")

c/o Prudential Capital Group

Two Prudential Plaza

Suite 5600

Chicago, Illinois 60601

Gentlemen:

The undersigned, Cedar Fair, L.P., a Delaware limited partnership (herein called the "Company"), hereby agrees with you as follows:

1. **AUTHORIZATION OF ISSUE OF NOTES.** The Company will authorize the issue of (but, except as provided in paragraph 2B(5), shall not be obligated to issue) its senior promissory notes (herein called the "Notes") in the aggregate principal amount of \$100,000,000, to be dated the date of issue thereof, to mature, in the case of each Note so issued, no less than three years and no more than fifteen years after the date of original issuance thereof, to have a weighted average life of no more than twelve years, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum with respect to such Note, and to have such other particular terms, as shall be set forth in the applicable Confirmation of Acceptance delivered pursuant to paragraph 2B(5), and to be substantially in the form of Exhibit A attached hereto. The terms "Note" and "Notes" as used herein shall include each Note delivered pursuant to any provision of this Agreement and each Note delivered in substitution or exchange for any such Note pursuant to any such provision. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, and (v) the same interest payment periods, are herein called a "Series" of Notes.

2A. [Intentionally Omitted.]

## **2B. PURCHASE AND SALE OF NOTES.**

2B(1). Facility. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential and Prudential Affiliates from time to time, the purchase of Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Notes is herein called the "Facility". At any time, the aggregate principal amount of Notes stated in paragraph 1, minus the aggregate principal amount of Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time is herein called the "Available Facility Amount" at such time.

NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF NOTES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.

2B(2). Issuance Period. Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the second anniversary of the date of this Agreement and (ii) the thirtieth day after Prudential shall have given to the Company, or the Company shall have given to Prudential, a notice stating that it elects to terminate the Facility (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day). The period during which Notes may be issued and sold pursuant to this Agreement is herein called the "Issuance Period".

2B(3). Request for Purchase. The Company may from time to time during the Issuance Period make requests for purchases of Notes (each such request being herein called a "Request for Purchase"). Each Request for Purchase shall be made to Prudential by telecopier and confirmed by nationwide overnight delivery service, and shall (i) specify the aggregate principal amount of Notes covered thereby, which shall not be less than \$10,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities and principal payment dates and amounts, (iii) specify the use of proceeds of such Notes, (iv) specify the proposed day for the closing of the purchase and sale of such Notes, which shall be a Business Day during the Issuance Period not less than 5 Business Days and not more than 25 Business Days after the Acceptance Day (if any) with respect to such Request for Purchase, (v) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Notes are to be transferred on the Closing Day for such purchase and sale, (vi) certify that the representations and warranties contained in paragraph 8 are true on and as of the date of such Request for Purchase except to the extent of changes caused by the transactions herein contemplated and that there exists on the date of such Request for Purchase no Event of Default or Default and (vii) be substantially in the form of Exhibit B attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by Prudential.

2B(4). Rate Quotes. Not later than Three Business Days after the Company shall have given Prudential a Request for Purchase pursuant to paragraph 2B(3), Prudential may provide (by telephone promptly thereafter confirmed by telecopier, in each case no earlier than 9:30 A.M. and no later than 1:30 P.M. New York City local time) interest rate quotes for the several principal amounts, maturities, prepayment schedules and interest payment periods of Notes specified in such Request for Purchase. Each quote pursuant to this paragraph 2B(4) shall represent the fixed interest rate per annum payable on the outstanding principal balance of such Notes until such balance shall have become due and payable, at which Prudential or a Prudential Affiliate would be willing to purchase such Notes at 100% of the principal amount thereof.

2B(5). Acceptance. Within 30 minutes after Prudential shall have provided any interest rate quotes pursuant to paragraph 2B(4) or such shorter period as Prudential may specify to the Company (such period herein called the "Acceptance Window"), the Company may, subject to paragraph 2B(6), elect to accept such interest rate quotes. Such election shall be made by an Authorized Officer of the Company notifying Prudential by telephone or telecopier within the Acceptance Window (but not earlier than 9:30 A.M. or later than 2:00 P.M., New York City local time) that the Company elects to accept such interest rate quotes, specifying the Note (each such Note being herein called an "Accepted Note") as to which such acceptance (herein called an "Acceptance") relates. The day the Company notifies Prudential of an Acceptance with respect to any Accepted Notes is herein called the "Acceptance Day" for such Accepted Notes. Any interest rate quotes as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Notes hereunder shall be made based on such expired interest rate quotes. Subject to paragraph 2B(6) and the other terms and conditions hereof, the Company agrees to sell to Prudential or a Prudential Affiliate, and Prudential agrees to purchase, or to cause the purchase by a Prudential Affiliate of, the Accepted Notes. As soon as practicable following the Acceptance Day, the Company, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit C attached hereto (herein called a "Confirmation of Acceptance").

2B(6). Market Disruption. Notwithstanding the provisions of paragraph 2B(5), if Prudential shall have provided interest rate quotes pursuant to paragraph 2B(5) and thereafter, prior to the time an Acceptance with respect to such quotes shall have been notified to Prudential in accordance with paragraph 2B(5), there shall occur a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the market for U.S. Treasury securities or derivatives, then such interest rate quotes shall expire, and no purchase or sale of Notes hereunder shall be made based on such expired interest rate quotes. If the Company thereafter notifies Prudential of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this paragraph 2B(6) are applicable with respect to such Acceptance.

2B(7). Closing. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to Prudential or the Prudential Affiliate listed in the Confirmation of Acceptance relating thereto at the offices of Prudential Capital Group, Two Prudential Plaza, Suite 5600, Chicago, Illinois 60601, the Notes to be purchased by such Purchaser in the form of a single Accepted Note for the Accepted Notes which have exactly the same terms (or such greater number of Notes in authorized denominations as such Purchaser may request) dated the Closing Day and registered in such Purchaser's name, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account specified in the Request for Purchase of such Notes. If the Company fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in this paragraph 2B(7), or any of the conditions specified in paragraph 3 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify such Purchaser in writing whether (x) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the "Rescheduled Closing Day") and certify to such Purchaser that the Company reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with paragraph 2B(8)(ii) or (y) such closing is to be cancelled as provided in paragraph 2B(8)(iii). In the event that the Company shall fail to give such notice referred to in the preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that such closing is to be cancelled as provided in paragraph 2B(8)(iii).

2B(8). Fees.

2B(8)(i) Facility Fee. The Company will pay to Prudential in immediately available funds a fee (herein called the "Facility Fee") on each Closing Day (other than the first such Closing Day, on which no Facility Fee shall be due) in an amount equal to 0.15% of the aggregate principal amount of Notes sold on such Closing Day.

2B(8)(ii) Delayed Delivery Fee. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note (other than the failure of a Purchaser to fund the purchase of an Accepted Note after all conditions to closing specified in paragraph 3 have been timely satisfied), the Company will pay to Prudential (for the benefit of the Purchasers) on the last Business Day of each calendar month, commencing with the first such day to occur more than 30 days after the Acceptance Day for such Accepted Note and ending with the last such day to occur prior to the Cancellation Date or the actual closing date of such purchase and sale, and on the Cancellation Date or actual closing date of such purchase and sale, a fee (herein called the "Delayed Delivery Fee") calculated as follows:

(BEY - MMY) X DTS/360 X PA

where "BEY" means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of such Accepted Note; "MMY" means Money Market Yield, i.e., the yield per annum on a commercial paper investment of the highest quality selected by Prudential on the date Prudential receives notice of the delay in the closing for such Accepted Notes having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days (a new alternative investment being selected by Prudential each time such closing is delayed); "DTS" means Days to Settlement, i.e., the number of actual days elapsed from and including the originally scheduled Closing Day with respect to such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the next preceding payment (in the case of any subsequent delayed delivery fee payment with respect to such Accepted Note) to but excluding the date of such payment; and "PA" means Principal Amount, i.e., the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with paragraph 2B(7).

2B(8)(iii) Cancellation Fee. If the Company at any time notifies Prudential in writing that the Company is cancelling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Company in writing under the circumstances set forth in the last sentence of paragraph 2B(7) that the closing of the purchase and sale of any Accepted Note is to be cancelled, or if the closing of the purchase and sale of any Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the "Cancellation Date"), the Company will pay to Prudential (for the benefit of the Purchasers) in immediately available funds an amount (the "Cancellation Fee") calculated as follows:

### **PI X PA**

where "PI" means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Note(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and "PA" has the meaning ascribed to it in paragraph 2B(8)(ii). The foregoing bid and ask prices shall be as reported by Telerate Systems, Inc. (or, if such data for any reason ceases to be available through Telerate Systems, Inc., any publicly available source of similar market data). Each price shall be based on a U.S. Treasury security having a par value of \$100.00 and shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.



3. CONDITIONS OF CLOSING. The obligation of any Purchaser to purchase any Accepted Notes is subject to the satisfaction, on or before the applicable Closing Day for such Accepted Notes, of the following conditions:

3A. Opinion of Company's Counsel. On each Closing Day, such Purchaser shall have received from Squire, Sanders & Dempsey, special counsel to the Company, or other counsel designated by the Company and acceptable to such Purchaser, a favorable opinion satisfactory to the Purchaser and substantially in the form of Exhibit D attached hereto and as to such other matters as such Purchaser may reasonably request. The Company hereby directs such counsel to deliver such opinion, and agrees that the issuance and sale of any Notes will constitute a reconfirmation of such direction.

3B. Opinion of Purchaser's Special Counsel. Such Purchaser shall have received from James F. Evert, Assistant General Counsel of Prudential, or such other counsel who is acting as counsel for it in connection with this transaction, a favorable opinion satisfactory to such Purchaser as to such matters incident to the matters herein contemplated as it may reasonably request.

3C. Representations and Warranties; No Default. The representations and warranties contained in paragraph 8 shall be true on and as of the applicable Closing Day, except to the extent of changes caused by the transactions herein contemplated; there shall exist on the applicable Closing Day no Default or Event of Default (assuming, if no Note is outstanding on such Closing Day, that paragraph 6 hereof is then in effect); and the Company shall have delivered to each Purchaser an Officer's Certificate, dated the applicable Closing Day, to both such effects.

3D. Fees. On or before each Closing Day, the Company shall have paid to Prudential any fee required by paragraphs 2B(8)(i) and 2B(8)(ii).

3E. Purchase Permitted By Applicable Laws. The purchase of and payment for the Notes to be purchased on the applicable Closing Day on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation G, T or X of the Board of Governors of the Federal Reserve System) and shall not subject any Purchaser to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and such Purchaser shall have received such certificates or other evidence as such Purchaser may reasonably request to establish compliance with this condition.

3F. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to each Purchaser, and each Purchaser shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

4. PREPAYMENTS. The Notes shall be subject to prepayment with respect to the required prepayments specified in paragraph 4A and also under the circumstances set forth in paragraph 4B.

4A. Required Prepayment of Notes. Until a Series of Notes shall be paid in full, such Series of Notes shall be subject to such required prepayments, if any, as are set forth in such Series of Notes. Any prepayment made by the Company pursuant to any other provision of this paragraph 4 shall not reduce or otherwise affect its obligation to make any scheduled prepayment as specified in each Series of Notes.

4B. Optional Prepayment With Yield-Maintenance Amount. The Notes of each Series shall be subject to optional prepayment, in whole or in part, in increments of \$100,000, and in a minimum amount of \$1,000,000, at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield-Maintenance Amount, if any, with respect to each such Note. Any partial prepayment of a Series of Notes pursuant to this paragraph 4B shall be applied in satisfaction of required payments of principal in inverse order of their scheduled due dates.

4C. Notice of Optional Prepayment. The Company shall give notice to the holder of each Note of a Series irrevocable written notice of any optional prepayment to be made pursuant to paragraph 4B with respect to such Series not less than 10 Business Days prior to the prepayment date, specifying (i) such prepayment date, (ii) the aggregate principal amount of the Notes of such Series to be prepaid on such date, (iii) the principal amount of the Notes of such holder to be prepaid on that date, and (iv) stating that such optional prepayment is to be made pursuant to paragraph 4B. Notice of optional prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance Amount, if any, herein provided, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient for such notices in the purchaser schedule attached to the applicable Confirmation of Acceptance or by notice in writing to the Company.

4D. Application of Prepayments. In the case of each prepayment pursuant to paragraphs 4A or 4B of less than the entire unpaid principal amount of all outstanding Notes of any Series, the amount to be prepaid shall be applied pro rata to all outstanding Notes of such Series (including, for the purpose of this paragraph 4D only, all Notes of such Series prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraphs 4A or 4B) according to the respective unpaid principal amounts thereof.

4E. Retirement of Notes. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraphs 4A or 4B or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, any Notes of any Series unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of the Notes of such Series held by each holder of Notes of such Series at the time outstanding upon the same terms and conditions. Any Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4D.

## 5. AFFIRMATIVE COVENANTS.

5A. Financial Statements. The Company covenants that it will deliver to each Significant Holder in triplicate:

(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidated statements of income, partners' equity or shareholders' equity (as the case may be) and cash flows of the Company and its Subsidiaries for (a) such quarterly period and (b) the period of four consecutive fiscal quarters ended on the last day of such quarterly period, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year or years, all in reasonable detail and certified by an authorized financial officer of the Company, subject to changes resulting from year-end adjustments; provided, however, that delivery pursuant to clause (iii) below of copies of the Quarterly Report on Form 10-Q of the Company for such quarterly period filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this clause (i);

(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidated statements of income, partners' equity and cash flows of the Company and its Subsidiaries for such year, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and satisfactory in form to the Required Holder(s), and reported on by independent public accountants of recognized national standing selected by the Company whose report shall be without limitation as to scope of the audit and satisfactory in substance to the Required Holder(s); provided, however, that delivery pursuant to clause (iii) below of copies of the Annual Report on Form 10-K of the Company for such fiscal year filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this clause (ii);

(iii) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as the Company shall send to its Limited Partners generally and copies of all registration statements (without exhibits), other than registration statements on Form S-8 or any successor form, and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission); and

(iv) with reasonable promptness, such other financial data (including, without limitation, consolidating financial statements and a copy of each other report submitted to the Company or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company or any Subsidiary) as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate (a) setting forth (except to the extent specifically set forth in such financial statements) the aggregate amounts of interest accrued on Funded Debt and Current Debt of the Company and Subsidiaries during the fiscal period covered by such financial statements, and the aggregate amounts of depreciation on physical property charged on the books of the Company and Subsidiaries (if any) during such fiscal period, (b) demonstrating (with computations in reasonable detail) compliance by the Company and its Subsidiaries with paragraph 6A(2) (including, without limitation, identification of the most recent forty-five consecutive day period at all times during which Consolidated Debt did not exceed 60% of Gross Worth) and, to the extent Debt secured by Liens described in clauses (v) and (vi) of paragraph 6A(1) exceeds \$5,000,000, demonstrating compliance with clauses (v) and (vi) of paragraph 6A(1), in each case during and at the end of such fiscal period and (c) stating that there exists no Event of Default or Default or, if any Event of Default or Default exists, specifying the nature thereof, the period of existence thereof and what action the Company proposes to take with respect thereto. Together with each delivery of financial statements required by clause (ii) above, the Company will deliver to each Significant Holder a certificate of such accountants stating that, in making the audit necessary to the certification of such financial statements, they have obtained no knowledge of any Event of Default or Default, or, if they have obtained knowledge of any Event of Default or Default, specifying the nature and period of existence thereof (provided that such accountants shall not be liable to anyone by reason of their failure to obtain knowledge of any such Event of Default or Default which would not be disclosed in the course of an audit conducted in accordance with generally accepted auditing standards).

The Company also covenants that forthwith upon any Responsible Officer obtaining knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto.

5B. Inspection of Property. The Company covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense, to visit and inspect any of the properties of the Company and its Subsidiaries, to examine the corporate books and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of any of such entities with the officers and directors of the Managing General Partner and the directors, officers and independent accountants of the Company, all at such reasonable times and as often as such Significant Holder may reasonably request.

5C. Covenant to Secure Note Equally. The Company covenants that, if it or any Subsidiary shall create or assume any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens permitted by the provisions of paragraph 6A(1) (unless prior written consent to the creation or assumption thereof shall have been obtained pursuant to paragraph 11C), it will make or cause to be made effective provision whereby the Notes will be secured by such Lien equally and ratably with any and all other Debt thereby secured so long as any such other Debt shall be so secured.

5D. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5D, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5E. Compliance With Environmental Laws. The Company will, and will cause each of its Subsidiaries to, comply in a timely fashion with, or operate pursuant to valid waivers of the provisions of, all Environmental Laws, except where noncompliance would not materially adversely affect the business, condition (financial or other) or operations of the Company and its Subsidiaries taken as a whole.

5F. Maintenance of Insurance. The Company covenants that it and each of its Subsidiaries will maintain insurance in such amounts and against such casualties, liabilities, risks, contingencies and hazards as is customarily maintained by other similarly situated companies operating similar businesses and, upon request of a Significant Holder, it will deliver an Officers' Certificate specifying the details of such insurance then in effect.

6. NEGATIVE COVENANTS. The provisions of this paragraph 6 shall remain in effect so long as any Note shall remain outstanding or any other amount shall be owing hereunder.

6A. Lien, Debt and Other Restrictions. The Company covenants that it will not and will not permit any Subsidiary to:

6A(1). Liens. Create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired (whether or not provision is made for the equal and ratable securing of the Notes in accordance with the provisions of paragraph 5C), except

(i) Liens for taxes not yet due or which are being actively contested in good faith by appropriate proceedings,

(ii) other Liens incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business,

(iii) subject to the limitation set forth in clause

(iii) of paragraph 6A(2), Liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to the Company or another Subsidiary,

(iv) Liens consisting of Capitalized Leases if the Funded Debt represented by the related Capitalized Lease Obligations is permitted by paragraph 6A(2),

(v) any Lien existing on any property of any corporation at the time it becomes a Subsidiary, or existing prior to the time of acquisition upon any property acquired by the Company or any Subsidiary through purchase, merger or consolidation or otherwise, whether or not assumed by the Company or such Subsidiary, or placed upon property at the time of acquisition by the Company or any Subsidiary to secure all or a portion of (or to secure Debt incurred to pay all or a portion of) the purchase price thereof, provided that (a) such property is not and shall not thereby become encumbered in an amount in excess of 80% of the lesser of the cost thereof or the fair value (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) thereof at the time such corporation becomes a Subsidiary or at the time of acquisition of such property by the Company or a Subsidiary, as the case may be, (b) any such Lien shall not encumber any other property (except related replacement parts) of the Company or such Subsidiary, and (c) the aggregate amount of Debt secured by all such Liens and any Liens permitted by clause (iv) above and clause (vi) below at any one time outstanding shall be permitted by paragraph 6A(2), and

(vi) any Lien renewing, extending or refunding any Lien permitted by clause (v) above if the aggregate amount of Debt secured by all such Liens and any Lien permitted by clauses (iv) and (v) above at any one time outstanding shall be permitted by paragraph 6A(2), provided that the principal amount secured is not increased, and the Lien is not extended to other property;

6A(2). Debt. Create, incur, assume, guarantee, suffer to exist, or otherwise be or become directly or indirectly liable for, any Funded or Current Debt, except

(i) Funded Debt of the Company represented by the Notes,

(ii) Funded or Current Debt of any Subsidiary to the Company,

(iii) Funded or Current Debt of any Subsidiary to any other Subsidiary, provided that no Subsidiary shall become liable for or suffer to exist any Debt permitted by this clause (iii) unless the Subsidiary to which such Debt is owed shall be free from any Debt to any Person other than the Company, and

(iv) other Debt of the Company or any Subsidiary; provided that (a) Consolidated Debt shall at no time exceed 70% of Gross Worth, (b) at all times during a period of at least forty-five consecutive days in each rolling twelve month period, Consolidated Debt shall not exceed 60% of Gross Worth and (c) Priority Debt shall at no time exceed 20% of Owners' Equity;

6A(3). Loans, Advances, Investments and Contingent Liabilities. Make or permit to remain outstanding any loan or advance to, or guarantee, endorse or otherwise be or become contingently liable, directly or indirectly, in connection with the obligations, stock, or dividends of, or own, purchase or acquire any stock, obligations or securities of, or any other interest in, or make or maintain any capital contribution to, any Person, except that the Company and its Subsidiaries may

(i) subject to paragraph 6A(2), make or permit to remain outstanding loans or advances to the Company or any Subsidiary,

(ii) subject to paragraph 6A(2), own, purchase or acquire stock, obligations or securities of a Subsidiary or of a corporation which immediately after such purchase or acquisition will be a Subsidiary,



(iii) acquire and own stock, obligations or securities received in settlement of debts (created in the ordinary course of business) owing to the Company or any Subsidiary,

(iv) own, purchase or acquire commercial paper rated Prime-1 by Moody's Investors Service, Inc. or A-1 or better by Standard & Poor's Corporation on the date of acquisition and certificates of deposit of, bankers' acceptances issued by, and eurodollar deposits with United States commercial banks (having capital resources in excess of \$100,000,000, and, in the case of eurodollar deposits, issued by such bank through its head office or a branch office in London or Tokyo), in each case due within one year from the date of acquisition and payable in the United States in United States dollars, obligations of the United States Government or any agency thereof backed by the full faith and credit of the United States Government, obligations guaranteed by the United States Government, and repurchase agreements of such banks for terms of less than one year in respect of the foregoing certificates and obligations,

(v) endorse negotiable instruments for collection in the ordinary course of business,

(vi) guarantee or otherwise become directly or indirectly liable for Debt to the extent the Debt is permitted by paragraph 6A(2) (including, without limitation, the limitation on Priority Debt set forth therein),

(vii) make or permit to remain outstanding travel, relocation and other like advances to officers and employees in the ordinary course of business, and

(viii) make or permit to remain outstanding any loans or advances to, any guarantees for the benefit of, or any investments in, any Person not otherwise permitted by this paragraph 6A(3) up to an aggregate amount which shall not exceed the principal amount of \$10,000,000 at any one time outstanding;

6A(4). Sale of Stock and Debt of Subsidiaries. Except to the Company or a 75%-owned Subsidiary, sell or otherwise dispose of, or part with control of, any shares of stock or Debt of any

(i) Significant Subsidiary, or (ii) other Subsidiary, if at the time of such sale or other disposition, such other Subsidiary owns, directly or indirectly, any shares of stock or Debt of any Significant Subsidiary or any Debt of the Company;

6A(5). Merger and Sale of Assets. Merge or consolidate with any corporation or sell, lease, transfer or otherwise dispose, in any single transaction or series of related transactions, of assets which shall have contributed 10% or more to Consolidated Pre-Tax Income for any of the three fiscal years then most recently ended, or assets whose aggregate fair value (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) shall exceed 10% of Consolidated Net Assets, to any Person, except that

(i) any 75%-owned Subsidiary which is free from any Debt to any Person other than the Company may merge with any one or more other 75%-owned Subsidiaries which are free from any Debt to any Person other than the Company,

(ii) any Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to the Company or a 75%-owned Subsidiary,

(iii) any Subsidiary may sell or otherwise dispose of all or substantially all of its assets subject to the conditions specified in paragraph 6A(4) with respect to a sale of the stock of such Subsidiary,

(iv) the Company may enter into any merger in which it is the surviving entity, provided that no Default or Event of Default would exist immediately after giving effect thereto,

(v) the Company may, in the ordinary course of business, sell or otherwise dispose of (a) buildings and parcels of land not used in connection with the business of the Company or any Subsidiary and (b) vehicles, and

(vi) any Subsidiary may merge or consolidate with any other corporation, provided that, immediately after giving effect to such merger or consolidation, the continuing or surviving corporation of such merger or consolidation shall constitute a Subsidiary and no Default or Event of Default would exist;

6A(6). Transactions with Related Persons. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, in the ordinary course of business or otherwise, any Related Person, except (i) pursuant to the terms of the Partnership Agreement or (ii) on an arm's-length basis and on terms no less favorable to the Company and its Subsidiaries (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) than terms which would have been obtainable from a Person other than a Related Person.

6B. Issuance of Stock by Subsidiaries. The Company covenants that it will not permit any Subsidiary (either directly, or indirectly by the issuance of rights or options for, or securities convertible into, such shares or other equity interest) to issue, sell or otherwise dispose of any shares of any class of its stock or other equity interest (other than directors' qualifying shares) except to the Company or a 75%-owned Subsidiary.

## 7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of or Yield-Maintenance Amount on any Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or

(ii) the Company defaults in the payment of any interest on any Note for more than 10 days after the date due; or

(iii) the Company or any Subsidiary defaults in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any obligation under a conditional sale or other title retention agreement, any obligation issued or assumed as full or partial payment for property whether or not secured by a purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company or any Subsidiary fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing) and the effect of such failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due (or to be repurchased by the Company or any Subsidiary) prior to any stated maturity, provided that the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event permitting acceleration (or sale to the Company or any Subsidiary) shall occur and be continuing exceeds \$5,000,000; or

(iv) any representation or warranty made by the Company herein or in any writing furnished in connection with or pursuant to this Agreement shall be false in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraph 6 hereof; or

(vi) the Company fails to perform or observe any other agreement, term or condition contained herein and such failure shall not be remedied within 30 days after any Responsible Officer has actual knowledge thereof; or

(vii) the Company or any Significant Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) any decree or order for relief in respect of the Company or any Significant Subsidiary is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the "Bankruptcy Law"), of any jurisdiction; or

(ix) the Company or any Significant Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company or any Significant Subsidiary, or of any substantial part of the assets of the Company or any Significant Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to the Company or any Significant Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(x) any such petition or application is filed, or any such proceedings are commenced, against the Company or any Significant Subsidiary and the Company or such Significant Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xi) any order, judgment or decree is entered in any proceedings against the Company decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) any order, judgment or decree is entered in any proceedings against the Company or any Significant Subsidiary decreeing a split-up of the Company or such Significant Subsidiary which requires the divestiture of assets representing a substantial part, or the divestiture of the stock of a Significant Subsidiary whose assets represent a substantial part, of the consolidated assets of the Company and its Significant Subsidiaries (determined in accordance with generally accepted accounting principles) or which requires the divestiture of assets, or stock of a Significant Subsidiary, which shall have contributed a substantial part of the consolidated net income of the Company and its Significant Subsidiaries (determined in accordance with generally accepted accounting principles) for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xiii) one or more final judgments for the payment of money, the uninsured portion of which in aggregate amount exceeds \$5,000,000, is rendered against the Company or any Subsidiary and, within 60 days after entry thereof, any such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged; or

(xiv) the Company or any ERISA Affiliate, in its capacity as an employer under a Multiemployer Plan, makes a complete or partial withdrawal from such Multiemployer Plan resulting in the incurrence by such withdrawing employer of a withdrawal liability in an amount exceeding \$5,000,000;

then (a) if such event is an Event of Default specified in clause (i) or (ii) of this paragraph 7A, the holder of any Note (other than the Company or any of its Subsidiaries or Affiliates) may at its option, by notice in writing to the Company, declare such Note to be, and such Note shall thereupon be and become, immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or additional notice of any kind, all of which are hereby waived by the Company, (b) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable together with interest accrued

thereon and together with the Yield-Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company, and (c) with respect to any event constituting an Event of Default hereunder, the Required Holder(s) of the Notes of any Series may at its or their option, by notice in writing to the Company, declare all of the Notes of such Series to be, and all of such Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each such Note, without presentment, demand, protest or additional notice of any kind, all of which are hereby waived by the Company.

7B. Notice of Acceleration. Whenever any Note shall be declared immediately due and payable pursuant to paragraph 7A the Company shall forthwith give written notice thereof to the holder of each Note of each Series at the time outstanding.

7C. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants as follows:

8A. Organization and Qualification. The Company is a limited partnership duly organized and existing in good standing under the laws of the State of Delaware, has the power to own its properties and to carry on its business as now being conducted and is duly qualified to do business as a foreign limited partnership and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it requires it to be so qualified under applicable law, except where the failure to be so qualified would not have a material adverse effect upon the Company. Each Subsidiary is a corporation duly organized and existing in good standing under the laws of its state of

incorporation, has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it requires it to be so qualified under applicable law, except where the failure to be so qualified would not have a material adverse effect upon such Subsidiary. The Company has the power and authority to enter into, execute, deliver and perform this Agreement and the Notes; this Agreement constitutes the Company's valid and binding obligation; and each Note will upon its issuance constitute the Company's valid and binding obligation. The Partnership Agreement has been duly authorized, executed and delivered by the Partners, is a valid, legal and binding agreement of the Partners, and has been duly filed in all places where such filing is required.

8B. Financial Statements. The Company has furnished each Purchaser of any Accepted Notes with the following financial statements, identified by a principal financial officer of the Company: (i) consolidated balance sheets of the Company and its Subsidiaries as at the last day in each of the five fiscal years of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 120 days prior to such date for which audited financial statements have not been released) and consolidated statements of income, partners' equity and cash flows of the Company and its Subsidiaries for each such year, reported on by Arthur Andersen & Co. (or, with respect to years subsequent to 1993, by Arthur Andersen & Co. or other independent public accountants of recognized national standing); and (ii) consolidated balance sheets of the Company and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of income, partners' equity and cash flows for (a) such quarterly periods and (b) the period of four consecutive fiscal quarters ended on the last day of such quarterly periods, prepared by the Company. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and normal year-end adjustments), have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the condition of

the Company and its Subsidiaries as at the dates thereof, and the statements of income, partners' equity and cash flows fairly present the results of the operations of the Company and its Subsidiaries for the periods indicated. There has been no material adverse change in the business, condition or operations (financial or otherwise) of the Company and its Subsidiaries taken as a whole since the end of the most recent fiscal year for which such audited financial statements have been furnished.

8C. Actions Pending. There are no actions, suits, investigations or proceedings pending or, to the knowledge of the elected officers of the Company or the Managing General Partner, threatened against the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which individually or in aggregate might result in any material adverse change in the business, condition or operations of the Company and its Subsidiaries taken as a whole.

8D. Outstanding Debt. Neither the Company nor any of its Subsidiaries has outstanding any Debt except as permitted by paragraph 6A(2). There exists no default under the provisions of any instrument evidencing such Debt or of any agreement relating thereto.

8E. Title to Properties. The Company has and each of its Subsidiaries has good and marketable title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, including the properties and assets reflected in the most recent audited balance sheet referred to in paragraph 8B (other than properties and assets disposed of in the ordinary course of business), subject to no Lien of any kind except Liens permitted by paragraph 6A(1). All leases necessary in any material respect for the conduct of the business of the Company and its Subsidiaries taken as a whole are valid and subsisting and are in full force and effect.



8F. Taxes. The Company has and each of its Subsidiaries has filed all Federal, State and other income tax returns which, to the best knowledge of the elected officers of the Company or the Managing General Partner, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles.

8G. Conflicting Agreements and Other Matters. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any partnership agreement, charter or other partnership or corporate restriction which materially and adversely affects the business (as presently conducted), property, assets or financial condition of the Company and its Subsidiaries taken as a whole. Neither the execution nor delivery of this Agreement or the Notes, nor the offering, issuance and sale of the Notes, nor fulfillment of nor compliance with the terms and provisions hereof and of the Notes will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, the Partnership Agreement or the charter, by-laws or code of regulations of any Subsidiaries, any award of any arbitrator or any agreement (including any agreement with Partners or stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its Subsidiaries is a party or otherwise subject. Neither the Company nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or any Subsidiary, any agreement relating thereto or any other contract or agreement (including the Partnership Agreement and, in the case of any Subsidiary, its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company of the type to be evidenced by the Notes except (i) as of the date of this Agreement, as set forth in the agreements listed in Exhibit E attached hereto and (ii) as of any date subsequent to the date of this Agreement when this representation is repeated, as set forth in the agreements listed in Exhibit E or as theretofore disclosed to Prudential in a writing which by its terms modifies Exhibit E.

8H. Offering of Notes. Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of

the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than institutional investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of section 5 of the Securities Act or to the provisions of any securities of Blue Sky law of any applicable jurisdiction.

8I. Regulation G, etc. Neither the Company nor any Subsidiary will, directly or indirectly, use any of the proceeds of the sale of the Notes for the purpose, whether immediate, incidental or ultimate, of buying a "margin stock" or of maintaining, reducing or retiring any indebtedness originally incurred to purchase a stock that is currently a "margin stock", or for any other purpose which might constitute any purchase and sale of Notes hereunder a "purpose credit", in each case within the meaning of Regulation G of the Board of Governors of the Federal Reserve System (12 C.F.R. 207, as amended). Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Notes to violate Regulation G, Regulation T or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect now or as the same may hereafter be in effect.

8J. ERISA. No accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any Plan (other than a Multiemployer Plan). No liability to the Pension Benefit Guaranty Corporation has been or is expected by the Company or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the Company or any Subsidiary or any ERISA Affiliate which is or would be materially adverse to the Company and its Subsidiaries taken as a whole. Neither the Company, any Subsidiary nor any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or would be materially adverse to the Company and its Subsidiaries taken as a whole. The execution and delivery of this Agreement and the issuance and sale of the Notes will not involve any transaction which is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975 of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of the representation in paragraph 9B as to the source of the funds to be used to pay the purchase price of the Notes to be purchased.

8K. Governmental Consent. Neither the nature of the Company or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities) in connection with the execution and delivery of this Agreement, the offering, issuance, sale or delivery of the Notes or fulfillment of or compliance with the terms and provisions hereof or of the Notes.

8L. Environmental Compliance. The Company and its Subsidiaries are in substantial compliance with any and all Environmental Laws including, without limitation, all Environmental Laws in all jurisdictions in which any of them owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No material litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best knowledge of the Company, threatened against the Company or any Subsidiary, any real property in which any thereof holds or has held an interest or any past or present operation of any thereof. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred, on, under or to any real property in which the Company or any Subsidiary holds any interest or performs any of its operations, in violation of any Environmental Law the violation of which could reasonably be expected to have a material adverse effect on the Company or its Subsidiaries. As used in this paragraph, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any governmental authority, private person or entity or otherwise, and "material" means the measure of a matter or matters the exposure with respect to which individually or together with all other matters described exceeds or can reasonably be expected to exceed \$2,500,000.

8M. Investment Company Status. Neither the Company nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended.

8N. Disclosure. Neither this Agreement nor any other document, certificate or statement furnished to any Purchaser by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact peculiar to the Company or any of its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now foresee) materially adversely affect the business, property, assets or financial condition of the Company and its Subsidiaries taken as a whole and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to any Purchaser by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

8O. Hostile Tender Offers. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer.

#### 9. REPRESENTATIONS OF THE PURCHASERS.

Each Purchaser represents as follows:

9A. Nature of Purchase. Such Purchaser is not acquiring the Notes purchased by it hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of such Purchaser's property shall at all times be and remain within its control.

9B. Source of Funds. No part of the funds used by such Purchaser to pay the purchase price of the Notes purchased by such Purchaser hereunder constitutes assets allocated to any separate account maintained by such Purchaser in which any employee benefit plan, other than employee benefit plans identified on a list which has been furnished by such Purchaser to the Company, participates to the extent of 10% or more. For the purpose of this paragraph 9B, the terms "separate account" and "employee benefit plan" shall have the respective meanings specified in section 3 of ERISA.

10. DEFINITIONS. For the purpose of this Agreement, the terms defined in the text of any paragraph shall have the respective meanings specified therein, and the following terms shall have the meanings specified with respect thereto below:

10A. Yield-Maintenance Terms.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B (any partial prepayment being applied in satisfaction of required payments of principal in inverse order of their scheduled due dates) or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Note is payable, if interest is payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, .50% plus the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between reported yields.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Yield-Maintenance Amount" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

#### 10B. Other Terms.

"Acceptance" shall have the meaning specified in paragraph 2B(5).

"Acceptance Day" shall have the meaning specified in paragraph 2B(5).

"Acceptance Window" shall have the meaning specified in paragraph 2B(5).

"Accepted Note" shall have the meaning specified in paragraph 2B(5).

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such first Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Authorized Officer" shall mean (i) in the case of the Company, the chief executive officer, the chief financial officer and the treasurer of the Company or the Managing General Partner, as well as any vice president thereof designated as an "Authorized Officer" in the Information Schedule attached hereto or any vice president thereof designated as an "Authorized Officer" for the purpose of this Agreement in an Officer's Certificate executed by the Company's or Managing General Partner's chief executive officer or chief financial officer and delivered to Prudential, and (ii) in the case of Prudential, any officer of Prudential designated as its "Authorized Officer" in the Information Schedule or any officer of Prudential designated as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company or the Managing General Partner and whom Prudential in good faith believes to be an Authorized Officer of the Company or the Managing General Partner at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company or the Managing General Partner, and any action taken under this Agreement on behalf of Prudential by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential, and whom the Company in good faith believes to be an Authorized Officer of Prudential at the time of such action shall be binding on Prudential even though such individual shall have ceased to be an Authorized Officer of Prudential.

"Available Facility Amount" shall have the meaning specified in paragraph 2B(1).

"Bankruptcy Law" shall have the meaning specified in clause (viii) of paragraph 7A.

"Cancellation Date" shall have the meaning specified in paragraph 2B(8)(iii).

"Cancellation Fee" shall have the meaning specified in paragraph 2B(8)(iii).

"Capitalized Lease" shall mean any lease if the obligation to make rental payments thereunder constitutes a Capitalized Lease Obligation.

"Capitalized Lease Obligation" shall mean any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of the Company or any Subsidiary, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Closing Day" for any Accepted Note shall mean the Business Day specified for the closing of the purchase and sale of such Note in the Request for Purchase of such Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Note agree on an earlier Business Day for such closing, the "Closing Day" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to paragraph 2B(7), the Closing Day for such Accepted Note, for all purposes of this Agreement except paragraph 2B(8)(ii), shall mean the Rescheduled Closing Day with respect to such Closing.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Confirmation of Acceptance" shall have the meaning specified in paragraph 2B(5).

"Consolidated Debt" shall mean, as of any time of determination thereof, the sum of (i) Debt of the Company and Subsidiaries determined on a consolidated basis and (ii) to the extent in excess of \$5,000,000, Debt of the Company owed to Subsidiaries.

"Consolidated Net Assets" shall mean, as of any time of determination thereof, with respect to the Company and Subsidiaries on a consolidated basis, their assets less, without duplication, all of their (i) current liabilities, (ii) asset, liability, contingency and other appropriate reserves, including reserves for depreciation and amortization expense and for deferred income taxes and (iii) other liabilities.

"Consolidated Pre-Tax Income" shall mean, for any period, the consolidated gross revenues of the Company and its Subsidiaries less all operating and nonoperating expenses of the Company and its Subsidiaries including current additions to reserves and all other charges of a proper character except current and deferred taxes on income, but not including in gross revenues any gains (nor in expenses any expenses or taxes applicable thereto) in excess of losses resulting from the sale, conversion or other disposition of capital assets (i.e., assets other than current assets), any gains resulting from the write-up of assets, any equity of the Company or any Subsidiary in the unremitted earnings of any corporation which is not a Subsidiary, any earnings of any Person acquired by the Company or any Subsidiary through purchase, merger or consolidation or otherwise for any year prior to the year of acquisition, or any deferred credit representing the excess of equity in any Subsidiary at the date of acquisition over the cost of the investment in such Subsidiary.



"Current Debt" shall mean, with respect to any Person, all Indebtedness of such Person for borrowed money which by its terms or by the terms of any instrument or agreement relating thereto matures on demand or within one year from the date of the creation thereof and is not directly or indirectly renewable or extendible at the option of the debtor to a date more than one year from the date of the creation thereof, provided that Indebtedness for borrowed money outstanding under a revolving credit or similar agreement which obligates the lender or lenders to extend credit over a period of more than one year shall constitute Funded Debt and not Current Debt, even though such Indebtedness by its terms matures on demand or within one year from the date of the creation thereof.

"Debt" shall mean Funded Debt and Current Debt.

"Delayed Delivery Fee" shall have the meaning specified in paragraph 2B(8)(ii).

"Environmental Laws" shall mean all federal, state, local and foreign laws relating to pollution or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including without limitation ambient air, surface water, ground water, or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes, and any and all rules, regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any corporation which is a member of the same controlled group of corporations as the Company within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Company within the meaning of section 414(c) of the Code.

"Event of Default" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "Default" shall mean any of such events, whether or not any such requirement has been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Facility" shall have the meanings specified in paragraph 2B(1).

"Facility Fee" shall have the meaning specified in paragraph 2B(8)(i).

"Funded Debt" shall mean with respect to any Person, all Indebtedness of such Person which by its terms or by the terms of any instrument or agreement relating thereto matures, or which is otherwise payable or unpaid, more than one year from, or is directly or indirectly renewable or extendible at the option of the debtor to a date more than one year (including an option of the debtor under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year) from, the date of the creation thereof.

"General Partners" shall mean collectively, the Managing General Partner and the Special General Partner, which are the general partners of the Company, and any Person substituted for or who succeeds either of them as a general partner pursuant to the terms of the Partnership Agreement, in each case in such capacity.

"Gross Worth" shall mean, as of any time of determination thereof, the sum of Owners' Equity and Consolidated Debt.

"Guarantee" shall mean, with respect to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, lease, dividend or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any such obligation in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, or to make payment for any products, materials or supplies or for any transportation or service, regardless of the non-delivery or non-furnishing thereof, in any such case if the purpose or intent of such agreement is to provide assurance that

such obligation will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected against loss in respect thereof. The amount of any Guarantee shall be equal to the outstanding principal amount of the obligation guaranteed or such lesser amount to which the maximum exposure of the guarantor shall have been specifically limited.

"Hedge Treasury Note(s)" shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

"Hostile Tender Offer" shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

"Indebtedness" shall mean, with respect to any Person, without duplication, (i) all items (excluding deferred compensation, items of contingency reserves and reserves for deferred income taxes) which in accordance with generally accepted accounting principles would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person as of the date on which Indebtedness is to be determined, (ii) all indebtedness secured by any Lien on any property or asset owned or held by such Person subject thereto, whether or not the indebtedness secured thereby shall have been assumed, and (iii) all indebtedness of others with respect to which such Person has become liable by way of Guarantee.

"Issuance Period" shall have the meaning specified in paragraph 2B(2).

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction) or any other type of preferential arrangement for the purpose, or having the effect, of protecting a creditor against loss or securing the payment or performance of an obligation.

"Limited Partner" shall mean any Person who is or shall become a limited partner of the Company, in such capacity.

"Managing General Partner" shall mean Cedar Fair Management Company, an Ohio corporation, and its successors and assigns.

"Multiemployer Plan" shall mean any Plan which is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"Note" and "Notes" shall have the meaning specified in paragraph 1.

"Officer's Certificate" shall mean a certificate signed in the name of the Company by an Authorized Officer of the Company.

"Owners' Equity" shall mean, as of any time of determination thereof, the partners' equity or shareholders' equity (as the case may be) of the Company.

"Partner" shall mean any General Partner or any Limited Partner.

"Partnership Agreement" shall mean the Third Amended and Restated Agreement of Limited Partnership of the Company, dated as of April 21, 1987, among Cedar Fair Management Company, Robert L. Munger, Jr., as General Partners, and the limited partners named therein, as the same has been and may be amended or supplemented from time to time.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"Plan" shall mean any "employee pension benefit plan" (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or by any trade or business, whether or not incorporated which, together with the Company, is under common control, as described in section 414(b) or (c) of the Code.

"Priority Debt" shall mean, as of any time of determination thereof, (i) Debt of any Subsidiary, other than Debt owed to the Company or another Subsidiary and (ii) Debt of the Company secured by any Lien.

"Prudential" shall mean The Prudential Insurance Company of America.

"Prudential Affiliate" shall mean any corporation or other entity all of the Voting Stock (or equivalent voting securities or interests) of which is owned by Prudential either directly or through Prudential Affiliates.

"Purchaser(s)" shall mean Prudential and each Prudential Affiliate as purchaser of any Note.

"Related Person" shall mean (i) any General Partner, (ii) any Person owning 10% or more of the depositary units representing limited partnership interests in the Company or  
(iii) any Affiliate of any Person described in clause (i) or (ii).

"Request for Purchase" shall have the meaning specified in paragraph 2B(3).

"Required Holder(s)" shall mean the holder or holders of at least 51% of the aggregate principal amount of the Notes or of a Series of Notes, as the context may require, from time to time outstanding.

"Rescheduled Closing Day" shall have the meaning specified in paragraph 2B(7).

"Responsible Officer" shall mean the chief executive officer, chief operating officer, treasurer, chief financial officer or chief accounting officer of the Company, general counsel of the Company or any other officer of the Company involved principally in its financial administration or its controllership function.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series" shall have the meaning specified in paragraph 1.

"Significant Holder" shall mean (i) Prudential and any other Purchaser, so long as Prudential or such Purchaser shall hold (or be committed under this Agreement to purchase) any Note, or (ii) any other holder of at least 5% of the aggregate principal amount of any Series of Notes from time to time outstanding.

"Significant Subsidiary" shall mean any Subsidiary of the Company or any of its Subsidiaries, (i) having assets which shall have contributed 10% or more of Consolidated Pre-Tax Income for any of the three fiscal years then most recently ended, (ii) having assets whose aggregate fair value (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) shall exceed 10% of the Consolidated Net Assets or (iii) the sale of which shall have a material adverse effect on the Company.

"Special General Partner" shall mean CF Partners, a Delaware general partnership, and its successors and assigns.

"Subsidiary" shall mean any corporation or partnership the majority of the stock of every class of which, except directors' qualifying shares, or the majority of equity interest in which shall, at the time as of which any determination is being made, be owned by the Company either directly or through Subsidiaries and "75%-owned Subsidiary" shall mean any corporation or partnership 75% of the stock of every class of which, except directors' qualifying shares, or 75% of the equity interest in which shall, at the time as of which any determination is being made, be owned by the Company either directly or through a 75%- owned Subsidiary.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased under this Agreement.

"Voting Stock" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

10C. Accounting Principles, Terms and Determinations. All references in this Agreement to "generally accepted accounting principles" shall be deemed to refer to generally accepted accounting principles in effect in the United States at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles applied, in the case of any such unaudited financial statements, certificates and reports, on a basis consistent with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8B.

## 11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as any Purchaser shall hold any Note, it will make payments of principal thereof and Yield-Maintenance Amount, if any, and interest thereon, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit to (i) the account or accounts as specified in the purchaser schedule attached to the applicable Confirmation of Acceptance or (ii) such other account or accounts in the United States as any Purchaser may designate in writing, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Note, it will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as you have made in this paragraph 11A.

11B. Expenses. The Company agrees, whether or not the transactions contemplated hereby shall be consummated, to pay, and save each Purchaser and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including (i) all document production and duplication charges and the fees and expenses of any special counsel engaged by the Purchasers or any Transferee in connection with this Agreement, the transactions contemplated hereby and any subsequent proposed modification of, or proposed consent under, this Agreement, whether or not such proposed modification shall be effected or proposed consent granted, and

(ii) the costs and expenses, including attorneys' fees, incurred by each Purchaser or any Transferee in enforcing (or in determining whether or in what manner to enforce) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process issued in connection with this Agreement or the transactions contemplated hereby or by reason of any Purchaser's or any Transferee's having acquired any Note, including without limitation costs and expenses incurred in any bankruptcy case. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein by any Purchaser or any Transferee and the payment of any Note.

11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) of the Notes of each Series except that, (i) with the written consent of the holders of all Notes of a particular Series, and if an Event of Default shall have occurred and be continuing, of the holders of all Notes of all Series, at the time outstanding (and not without such written consents), the Notes of such Series may be amended or the provisions thereof waived to change the maturity thereof, to change or affect the principal thereof, or to change or affect the rate or time of payment of interest or Yield-Maintenance Amount payable with respect to the Notes of such Series, (ii) without the written consent of the holder or holders of all Notes at the time outstanding, no amendment to or waiver of the provisions of this Agreement shall change or affect the provisions of paragraph 7A or this paragraph 11C insofar as such provisions relate to proportions of the principal amount of the Notes of any Series, or the rights of any individual holder of Notes, required with respect to any declaration of Notes to be due and payable or with respect to any consent, (iii) with the written consent of Prudential (and not without the written consent of Prudential) the provisions of paragraph 2 may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver) and (iv) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of paragraphs 2 and 3 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.



11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least \$1,000,000, except as may be necessary to reflect any principal amount not evenly divisible by \$1,000,000. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners; Participations. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and Yield-Maintenance Amount, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Note may from time to time grant participations in all or any part of such Note to any Person on such terms and conditions as may be determined by such holder in its sole and absolute discretion.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of any Purchaser or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

11G. Successors and Assigns. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

11H. Notices. All written communications provided for hereunder (other than communications provided for under paragraph 2) shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to any Purchaser, addressed as specified for such communications in the purchaser schedule attached to the applicable Confirmation of Acceptance, or at such other address as any Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Company, and (iii) if to the Company, addressed to it at Cedar Fair, L.P., One Causeway Drive, P.O. Box 5006, Sandusky, Ohio 44871, Attention: Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing. Any communication pursuant to paragraph 2 shall be made by the method specified for such communication in paragraph 2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telecopier communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telecopier terminal the number of which is set forth on the Information Schedule attached hereto or at such other telecopier terminal as the party receiving the information shall have specified in writing to the party sending such information.

11I. Descriptive Headings. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11J. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to any Purchaser, to any holder of Notes or to the Required Holder(s), the determination of such satisfaction shall be made by such Purchaser, such holder or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11K. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day. If the date for any payment is extended to the next succeeding Business Day by reason of the preceding sentence, the period of such extension shall be included in the computation of the interest payable on such Business Day.

11L. Limited Liability of Partners. Anything in this Agreement or the Notes to the contrary notwithstanding, no recourse under or in respect of this Agreement or the Notes shall be had against any Partner, shareholder of a Partner or partner of a Partner by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of statute or otherwise, whether based on agency, deputation or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the Partners, shareholders of Partners or partners of Partners or any of them under or by reason of this Agreement or the Notes; provided that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holders of the Notes to enforce their remedies against the Company's assets for the collection of amounts due and owing under the Notes or any other obligation of the Company contemplated by this Agreement. Each of the Notes shall contain a statement to the effect that the obligations of the Partners are limited as provided in this paragraph 11L.

11M. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists.

11N. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11O. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the internal law of the State of Illinois.

11P. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

11Q. Binding Agreement. When this Agreement is executed and delivered by the Company and Prudential, it shall become a binding agreement between the Company and Prudential. This Agreement shall also inure to the benefit of each other Purchaser which shall have executed and delivered a Confirmation of Acceptance, and each such other Purchaser shall be bound by this Agreement to the extent provided in such Confirmation of Acceptance.

Very truly yours,

**CEDAR FAIR, L.P.**

**By: CEDAR FAIR MANAGEMENT COMPANY,  
Managing General Partner**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

The foregoing Agreement is  
hereby accepted as of the  
date first above written.

**THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA**

By: \_\_\_\_\_  
Title: Vice President

**BONUS AND INCENTIVE COMPENSATION POLICY  
FOR OFFICERS OF  
CEDAR FAIR MANAGEMENT COMPANY**

(Recommended by the Compensation Committee and Approved by the Board of Directors, November, 1992  
And Amended by the Compensation Committee October, 1994)

**BACKGROUND**

The stockholders and share equivalent holders ("Officers") of Cedar Fair Management Company (the "Company") are employees of Cedar Fair, L.P. (the "Partnership") and hold the same offices in the Partnership as they do in the Company. As a result, their base salaries, fringe benefits (including health insurance, provision of automobile as appropriate, etc.), employer contributions to the Partnership's 401(k) plan and existing profit-sharing plan are all paid by and are responsibilities of the Partnership. The Company, on the other hand, is responsible for and has full discretion to determine and set bonus and other incentive compensation payable to such Officers out of fee income and distributions receivable from serving as managing general partner of the Partnership. The Company has an agreement with the Partnership for such payments. For tax and other reasons, all cash dividends, bonuses and current incentive compensation will be paid on or before December 31 in each year.

Beginning in 1992, the Board of Directors approved two new forms of deferred compensation to supplement the cash bonuses paid to Officers of the Company, using a portion of the Company's earnings as managing general partner of the Partnership. The Partnership has agreed to accept responsibility for providing these deferred benefits and will be reimbursed by the Company for the amounts granted each year.

## **FUNDS AVAILABLE**

Funds are available for dividends and Officers' bonus, incentive and deferred compensation from the following sources (as defined in the Agreement of Limited Partnership):

- 1) Management fee of .25% of the Partnership's net revenues.
- 2) .5% of cash distributions declared by the Partnership.
- 3) Incentive fee of 18.18% of excess distributions declared by the Partnership. For purposes of calculating the funds available each year, the anticipated fourth quarter distribution and any related incentive fees are included even though the distribution may not be formally declared until the end of the quarter.

## **ALLOCATION OF FUNDS AVAILABLE**

The total funds available to the Company each year will be allocated in the following manner:

- 1) Dividends to stockholders of the Company and cash bonuses to Officers will be paid prior to December 31 each year in an aggregate amount not to exceed 150% of the aggregate base salaries of the stockholders and share equivalent holders of the Company.
- 2) If the total funds available exceed 150%, but is equal to or less than 200% of the aggregate base salaries of this group, this additional amount will be allocated, in approximately equal portions, to deferred compensation payable to Officers of the Company in the following forms (both as hereinafter described:
  - a) Deferred limited partnership units, and/or
  - b) Supplemental retirement benefits.

3) If the total funds available exceed 200% of such aggregate base salaries, this balance will be allocated to Officers of the Company and/or to other employees of the Partnership, or their respective estates, in such manner and amounts as may be recommended by the Compensation Committee, after consultation with the Chief Executive Officer, and approved by the Board of Directors.

#### **CASH BONUSES**

The declaration of dividends and the award of cash bonuses will be based on the success of the Partnership's operations during the year and on the performance of individual Officers. The Chief Executive Officer will first determine weighting factors for each Officer, based on his or her position, responsibilities and other relevant factors, for purposes of making an initial allocation of available funds up to 150% of the aggregate base compensation of the group. The weighting factors will be 20%, 30%, 40%, or 55% of a participant's base salary. After using these weighting factors to make an initial allocation, the CEO will recommend to the Compensation Committee any adjustments he deems appropriate based upon individual performance and contributions to the success of the Partnership.

To be eligible to receive a cash bonus hereunder, an Officer must be employed by the Partnership on the date of payment of cash bonuses. The Board of Directors may, at its discretion, approve the payment of bonuses to an Officer's estate or a former Officer in the event of death, disability, or retirement of an Officer during the year of payment.

#### **DEFERRED LIMITED PARTNERSHIP UNITS**

Deferred units represent the right to receive newly issued Cedar Fair limited partnership units at specified future dates if an Officer is still employed by the Partnership at that time. The dollars allocated to each participant will be based on individual performance, as recommended by the CEO and approved by the Compensation Committee of the Board, and will be converted to

a number of deferred Partnership units based on the NYSE closing price on the first Monday in December of the year granted. Thereafter, the deferred units will accrue additional deferred units on the date of each cash distribution paid by Cedar Fair, L.P., calculated at the NYSE closing price on that date, and will also be adjusted for any unit splits or other similar equity transactions which may occur.

For each participant still employed by the Partnership or its successor on the first Monday in December, 3 years after the grant of deferred units, the Partnership will issue new limited partnership units to the participant in the amount of one-third of the units accrued from that year's grant, together with accrued distributions thereon, rounded to the nearest whole unit. One year later, half of the remaining deferred units, together with accrued distributions, will be issued to participants, and one more year later (5 years from date of grant) the remaining balance, rounded to the nearest whole unit, will be issued to participants who remain in the Partnership's employ. In the event of death, total disability (as defined in the Partnership's Long Term Disability Income Plan), retirement at age 62 or over, removal of the Company as managing general partner of the Partnership (unless resulting from reorganization of the Partnership into corporate form), or a "change in control" of the Partnership (as defined below), all accrued units for a participant will become fully vested and will be issued at the time of such event. Failure to remain an employee of the Partnership on any vesting date for any other reason will result in the forfeiture of all unissued deferred units of a participant.

A "change in control" of the Partnership shall mean a change in control of a nature that would be required to be reported in response to Item 6 (e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934. Without limiting the inclusiveness of the definition in the preceding sentence, a change in control of the Partnership shall be deemed to have occurred if:



- (i) any person (other than any employee benefit plan of the Partnership or any subsidiary of the Partnership or any person organized, appointed or established pursuant to the terms of any such benefit plan) is or becomes the beneficial owner of Partnership units representing at least 51% of the voting power of the Partnership units.
- (ii) there shall be consummated (x) any consolidation or merger of the Partnership is not the continuing or surviving entity or pursuant to which Partnership units would be converted into cash, securities or other property, other than a merger of the Partnership in which the holders of the Partnership's units immediately prior to the merger have the same proportionate ownership of the surviving entity, immediately after the merger, or (y) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Partnership, or
- (iii) the holders of the Partnership's units approve any plan or proposal for the liquidation or dissolution of the Partnership, except in connection with a reorganization of the Partnership into corporate form.

With respect to persons subject to Section 16 of the Securities and Exchange Act of 1934 ("1934 Act"), deferred unit transactions under this plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the 1934 Act. To the extent any provision of the plan or action by the Board of Directors fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Board of Directors.

## **SUPPLEMENTAL RETIREMENT BENEFITS**

Supplemental retirement benefits represent the right to receive benefits from the Partnership upon retirement at age 62 or over, with a minimum of 20 years' service to the Partnership, its predecessors and/or successors. Amounts will be allocated among participants as approved by the Compensation Committee of the Board, based on a target annual retirement benefit (including amounts projected to be available from the Partnership's profit sharing retirement plan) of 57.5% of average base salary projected for the three years prior to retirement at age 65. The Compensation Committee may, at its discretion, revise the assumptions and methodology used in calculating the allocation of such amounts to participants. Each participant's account will accrue interest at the prime rate as established from time to time by the Partnership's lead bank, beginning on December 1 of the year of grant.

Participants leaving the employ of the Partnership prior to reaching age 62 or with less than 20 years of service will forfeit their entire balance. In the event of death, total disability, retirement at age 62 or over with at least 20 years' service, or removal of the Company as managing general partner of the Partnership (unless resulting from reorganization of the Partnership into corporate form), all amounts accrued will become immediately and fully vested and payable to participants. Notwithstanding the foregoing, in the event of a "change in control" of the Partnership, all amounts accrued will become fully vested and will be funded in a trust, for the benefit of the participants when they reach age 62, die, or become totally disabled, whichever occurs first. At each participant's option, the accrued balance may be distributed in a lump sum or, if requested irrevocably in writing at least 12 months prior to retirement, in a number of future payments over a period not to exceed 10 years.

Both deferred units and supplemental retirement benefits, when awarded, together with all subsequent earnings accrued thereon, will become general unsecured obligations of the Partnership to the participant, and the Company shall have no further right to receive such amounts from the Partnership. Each participant's rights to receive deferred units and supplemental retirement benefits is not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by the participant's creditors or beneficiaries.

If a participant dies before receipt of all benefits to which he or she is entitled under this plan, distribution of the remaining benefits will be made to such beneficiary as the participant has designated in writing to the Partnership prior to death or, in the absence of such designation, to the participant's estate.

Nothing contained herein shall be construed as a commitment or agreement on the part of any participant to continue his or her employment with the Partnership, nor as a commitment on the part of the Partnership to continue the employment or rate of compensation of any participant hereunder for any period.

The Board of Directors reserves the right to modify, amend or terminate this Policy at any time or from time to time; provided, however, that no amendment or termination shall adversely impact the rights of a participant with respect to amounts previously allocated as provided herein.

**CREDIT AGREEMENT**

dated as of  
November 30, 1999

**Among**

**CEDAR FAIR, L. P.**  
**CEDAR FAIR**  
**MAGNUM MANAGEMENT CORPORATION**  
**KNOTT'S BERRY FARM**  
**as Co-Borrowers**

**MAGNUM MANAGEMENT CORPORATION**  
**as Treasury Manager for the Co-Borrowers**

**THE LENDING INSTITUTIONS NAMED THEREIN**  
**as Lenders**

**KEYBANK NATIONAL ASSOCIATION**  
**as Administrative Agent**

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CREDIT AGREEMENT, dated as of November 30, 1999, among the following:

- (i) CEDAR FAIR, L. P., a Delaware limited partnership (herein, together with its successors and assigns, the "Company" or a "Co-Borrower");
- (ii) CEDAR FAIR, an Ohio general partnership (herein, together with its successors and assigns, "Cedar Fair" or a "Co-Borrower"), which is a Wholly- Owned Subsidiary of the Company;
- (iii) MAGNUM MANAGEMENT CORPORATION, an Ohio corporation (herein, together with its successors and assigns, "Magnum Management" or a "Co-Borrower"), which is a Wholly-Owned Subsidiary of the Company, in (x) its individual capacity, and (y) as treasury manager for the Co-Borrowers (in such capacity, together with its successors and assigns in such capacity, the "Treasury Manager");
- (iv) KNOTT'S BERRY FARM, a California general partnership (herein, together with its successors and assigns, "Knott's Berry Farm" or a "Co-Borrower"), which is a Wholly-Owned Subsidiary of the Company;
- (v) each other Additional Co-Borrower which becomes a party hereto pursuant to section 8.13;
- (vi) the lending institutions listed in Annex I hereto (each a "Lender" and collectively, the

"Lenders" ); and

(vii) KEYBANK NATIONAL ASSOCIATION, a national banking association, as administrative agent (the "Administrative Agent"):

#### **PRELIMINARY STATEMENTS:**

- (1) Unless otherwise defined herein, all capitalized terms used herein and defined in section 1 are used herein as so defined.
- (2) The Co-Borrowers have applied to the Lenders for credit facilities in the aggregate principal amount of \$90,000,000, to be available and mature within a period of not more than 364 days, in order to provide working capital and funds for other lawful purposes.
- (3) Subject to and upon the terms and conditions set forth herein, the Lenders are willing to make available to the Co- Borrowers the credit facilities provided for herein.



(4) The Co-Borrowers will be jointly and severally liable for all Borrowings hereunder.

NOW, THEREFORE, it is agreed:

## SECTION 1. DEFINITIONS AND TERMS.

1.1. Certain Defined Terms. As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires:

"Additional Co-Borrower" shall have the meaning provided in section 8.13.

"Administrative Agent" shall have the meaning provided in the first paragraph of this Agreement and shall include any successor to the Administrative Agent appointed pursuant to section 11.9.

"Affiliate" shall mean, with respect to any person, any other person directly or indirectly controlling, controlled by, or under direct or indirect common control with such person. A person shall be deemed to control a second person if such first person possesses, directly or indirectly, the power (i) to vote 10% or more of the securities having ordinary voting power for the election of directors or managers of such second person or

(ii) to direct or cause the direction of the management and policies of such second person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, (x) a director, officer or employee of a person shall not, solely by reason of such status, be considered an Affiliate of such person; and (y) neither the Administrative Agent nor any Lender shall in any event be considered an Affiliate of any Co- Borrower or any other Credit Party or any of their respective Subsidiaries.

"Agreement" shall mean this Credit Agreement, as the same may be from time to time further modified, amended and/or supplemented.

"Applicable Eurodollar Margin" shall have the meaning provided in section 2.8(g).

"Applicable Facility Fee Rate" shall have the meaning provided in section 3.1(c).

"Applicable Lending Office" shall mean, with respect to each Lender, (i) such Lender's Domestic Lending Office in the case of Borrowings consisting of Prime Rate Loans, and (ii) such Lender's Eurodollar Lending Office in the case of Borrowings consisting of Eurodollar Loans.

"Asset Sale" shall mean the sale, transfer or other disposition (including by means of Sale and Lease-Back Transaction, and mergers, consolidations, and liquidations of a corporation, partnership or limited liability company of the interests therein of any Co-Borrower or any Subsidiary) by any Co- Borrower or any Subsidiary of any Co-Borrower to any person other than the Company or any of its Subsidiaries of any of their respective assets (other than sales, transfers or other dispositions of inventory and obsolete or excess furniture, fixtures, equipment or other property, tangible or intangible, in the ordinary course of business).

"Assignment Agreement" shall mean an Assignment Agreement substantially in the form of Exhibit D hereto.

"Authorized Officer" shall mean any officer or employee of any Credit Party designated as such in writing to the Administrative Agent by such Credit Party.

"Bankruptcy Code" shall have the meaning provided in section 10.1(h).

"Co-Borrower" shall include the Co-Borrowers named herein who are original signatories hereto and each Additional Co- Borrower.

"Borrowing" shall mean the incurrence of Loans consisting of one Type of Loan, by the Co-Borrowers from all of the Lenders on a pro rata basis on a given date (or resulting from conversions on a given date), having in the case of Eurodollar Loans the same Interest Period.

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) below, any day excluding Saturday, Sunday and any day which shall be in the city in which the Payment Office is located a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close; and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks in U.S. dollar deposits in the interbank Eurodollar market.

"Capital Lease" as applied to any person shall mean any lease of any property (whether real, personal or mixed) by that person as lessee which, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that person.

"Capitalized Lease Obligations" shall mean all obligations under Capital Leases of the Company or any of its Subsidiaries in each case taken at the amount thereof accounted for as liabilities identified as "capital lease obligations" (or any similar words) on a consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with GAAP.

"Cash Equivalents" shall mean:

- (i) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof) having maturities of not more than one year from the date of acquisition;
- (ii) U.S. dollar denominated time deposits, certificates of deposit and bankers' acceptances of (x) any Lender or (y) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank, an "Approved Bank"), in each case with maturities of not more than one year from the date of acquisition;
- (iii) commercial paper issued by any Lender or Approved Bank or by the parent company of any Lender or Approved Bank and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, and in each case maturing within 270 days after the date of acquisition;
- (iv) investments in money market funds substantially all the assets of which are comprised of securities of the types described in clauses (i) through (iii) above; and
- (v) investments in money market funds access to which is provided as part of "sweep" accounts maintained with a Lender or an Approved Bank.

"Cedar Fair" shall have the meaning provided in the introductory paragraph hereof.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same may be amended from time to time, 42 U.S.C. 9601 et seq.

"Change of Control" shall mean and include any of the following:

- (i) during any period of two consecutive calendar years, individuals who at the beginning of such period constituted the Managing General Partner's Board of Directors (together with any new directors whose election by the Managing General Partner's Board of Directors or whose nomination for election by the Managing General Partner's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office;

(ii) any person or group (as such term is defined in section 13(d)(3) of the 1934 Act), other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries and/or the Current Holder Group, shall acquire, directly or indirectly, beneficial ownership (within the meaning of Rule 13d-3 and 13d-5 of the 1934 Act) of more than 40%, on a fully diluted basis, of the economic or voting interest in the Company's partnership interests;

(iii) the Current Holder Group shall, for any reason, cease to have, directly or indirectly, beneficial ownership (within the meaning of Rule 13d-3 and 13d-5 of the 1934 Act) of at least 50%, on a fully diluted basis, of the economic or voting interest in the Managing General Partner's capital stock;

(iv) the holders of partnership interests in the Company approve a merger or consolidation of the Company with any other person, other than a merger or consolidation which would result in the partnership interests of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted or exchanged for voting securities of the surviving or resulting entity or its parent corporation) more than 51% of the combined voting power of the partnership interests or other voting securities of the Company or such surviving or resulting entity (or parent corporation) outstanding after such merger or consolidation;

(v) the holders of partnership interests in the Company approve the removal of Cedar Fair Management Company as the managing general partner of the Company; and/or

(vi) the holders of partnership interests in the Company approve a plan of complete liquidation of the Company or an agreement or agreements for the sale or disposition by the Company of all or substantially all of the Company's assets.

"Closing Date" shall mean the date, on or after the Effective Date, upon which the conditions specified in section 6.1 are satisfied.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and the rulings issued thereunder. Section references to the Code are to the Code, as in effect at the Effective Date and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"Commitment" shall mean, with respect to each Lender, the amount set forth opposite such Lender's name in Annex I as its "Commitment" as the same may be reduced from time to time, or terminated, pursuant to section 4.1, 4.2 and/or 10.2, or adjusted from time to time as a result of assignments to or from such Lender pursuant to section 14.4.

"Company" shall have the meaning provided in the introductory paragraph hereof.

"Consolidated Amortization Expense" shall mean, for any period, all amortization expenses of the Company and its Subsidiaries, all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events amounts expended or capitalized under Capital Leases but excluding any amount representing capitalized interest) by the Company and its Subsidiaries during that period that, in conformity with GAAP, are or are required to be included in the property, plant or equipment reflected in the consolidated balance sheet of the Company and its Subsidiaries.

"Consolidated Debt" shall mean the total Indebtedness of the Company and of each of its Subsidiaries, as determined on a consolidated basis, which is of the nature described in clauses

(i); (ii); (iv), but only to the extent of outstanding drawings under letters of credit which have not been reimbursed; (vi); (vii); and/or (xi), of the definition of the term Indebtedness.

"Consolidated Depreciation Expense" shall mean, for any period, all depreciation expenses of the Company and its Subsidiaries, all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated EBIT" shall mean, for any period, Consolidated Net Income for such period; plus (A) the sum of the amounts for such period included in determining such Consolidated Net Income of (i) Consolidated Interest Expense, (ii) Consolidated Income Tax Expense, (iii) amortization or write-off of deferred financing costs, and (iv) extraordinary non-cash losses and charges and other non-recurring non-cash losses and charges; less (B) gains on sales of assets (excluding sales in the ordinary course of business) and other extraordinary gains and non-recurring non-cash gains; all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" shall mean, for any period, the sum of the amounts for such period of (i) Consolidated EBIT, (ii) Consolidated Depreciation Expense, and (iii) Consolidated Amortization Expense, all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP; provided that Consolidated EBITDA for any period shall (x) include the appropriate financial items for any person or business unit which has been acquired by the Company for any portion of such period prior to the date of acquisition, and (y) exclude the appropriate financial items for any person or business unit which has been disposed of by the Company, for the portion of such period prior to the date of disposition.

"Consolidated EBITDA/Interest Ratio" shall mean, for any Testing Period, the ratio of (i) Consolidated EBITDA (without giving effect to the proviso to the definition of Consolidated EBITDA) for such Testing Period, to (ii) Consolidated Interest Expense for such Testing Period.

"Consolidated Income Tax Expense" shall mean, for any period, all provisions for taxes based on the net income of the Company or any of its Subsidiaries (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto), and all franchise taxes of the Company and its Subsidiaries, all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" shall mean, for any period, total interest expense (including that which is capitalized and that which is attributable to Capital Leases, in accordance with GAAP) of the Company and its Subsidiaries on a consolidated basis with respect to all outstanding Indebtedness of the Company and its Subsidiaries including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under Hedge Agreements, but excluding, however, any amortization of deferred financing costs, all as determined in accordance with GAAP.

"Consolidated Net Income" shall mean for any period, the net income (or loss), without deduction for minority interests, of the Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP, provided that there shall be excluded therefrom (i) the income, (or loss) of any entity (other than Subsidiaries of the Company) in which the Company or any of its Subsidiaries has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Company or any of its Subsidiaries during such period, (ii) the income (or loss) of any entity accrued prior to the date it becomes a Subsidiary of the Company or is merged into or consolidated with the Company or any of its Subsidiaries or on which its assets are acquired by the Company or any of its Subsidiaries, and (iii) the income of any Subsidiary of the Company to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary.

"Consolidated Net Worth" shall mean at any time for the determination thereof all amounts which, in conformity with GAAP, would be included under the caption "total partners' equity" (or any like caption) on a consolidated balance sheet of the Company and its Subsidiaries as at such date.

"Consolidated Total Capital" shall mean at any time of determination the sum of (i) Consolidated Debt at such time and (ii) Consolidated Net Worth as of the most recent fiscal period ended on or prior to the time of determination for which financial statements have been delivered to the Lenders hereunder.

"Credit Documents" shall mean this Agreement, the Notes, the Subsidiary Guaranty and any other agreement or instrument entered into by any Credit Party with, or for the benefit of, the Administrative Agent or the Lenders, pursuant to the requirements of this Agreement.

"Credit Party" shall mean the Company, the Managing General Partner and each of the Company's Subsidiaries which is a party to any Credit Document.

"Current Holder Group" shall mean (i) those persons who are officers and directors of the Company and/or the Managing General Partner at the Effective Date; (ii) the spouses, heirs, legatees, descendants and blood relatives to the third degree of consanguinity of any such person; (iii) the executors and administrators of the estate of any such person, and any court appointed guardian of any such person; and (iv) any trust for the benefit of any such person referred to in the foregoing clauses (i) and (ii) or any other persons, so long as one or more members of the Current Holder Group has the exclusive right to control the voting and disposition of securities held by such trust.

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender with, respect to which a Lender Default is in effect.

"Determination of Taxability" shall mean any of the following:

(i) the Company shall elect, for Federal income tax purposes, to be treated as an association taxable as a corporation under Subchapter C of the Code;

(ii) the Company shall have received from the Internal Revenue Service any written notice or other communication which questions the status or right of the Company to be treated as a partnership under the Code, and not as an association taxable as a corporation under Subchapter C of the Code, and within 60 days following the receipt of any such notice or other communication the Company has not obtained, and provided to the Administrative Agent a copy of, a written confirmation from the Internal Revenue Service that such notice or other communication is withdrawn and further confirming that the Internal Revenue Service recognizes that the Company is entitled to be treated as a partnership under the Code, and not as an association taxable as a corporation under Subchapter C of the Code; or

(iii) any other event or circumstance shall occur or exist which, in the reasonable opinion of the Administrative Agent, draws into question the status or right of the Company to be treated as a partnership under the Code, and not as an association taxable as a corporation under Subchapter C of the Code, and within 30 days following the receipt by the Company of a written request therefor from the Administrative Agent, the Company shall have failed to deliver to the Administrative Agent a written opinion, reasonably satisfactory in form, scope and substance to the Administrative Agent, of Squire Sanders & Dempsey, or other nationally recognized independent tax counsel, to the effect that in the opinion of such counsel the Company should be treated for Federal income tax purposes as a partnership, and not as an association taxable as a corporation under Subchapter C of the Code, and covering such other matters related thereto as the Administrative Agent may reasonably request.

"Dollars", "U.S. dollars", "dollars" and the sign "\$" each means lawful money of the United States.

"Domestic Lending Office" shall mean, with respect to any Lender, the office of such Lender specified as its Domestic Lending Office in Annex I or in the Assignment Agreement pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Treasury Manager and the Administrative Agent.

"Effective Date" shall have the meaning provided in section 14.10.

"Election to Participate" shall mean an Election to Participate substantially in the form attached hereto as Exhibit F.

"Election to Terminate" shall mean an Election to Participate substantially in the form attached hereto as Exhibit G.

"Eligible Transferee" shall mean and include a commercial bank, financial institution or other "accredited investor" (as defined in SEC Regulation D), in each case which (i) is not disapproved in writing by the Treasury Manager in a notice given to a requesting Lender and the Administrative Agent, specifying the reasons for such disapproval, within five Business Days following the giving of notice to the Treasury Manager of the identity of any proposed transferee (any such disapproval by the Treasury Manager must be reasonable), provided that the Treasury Manager shall not be entitled to exercise the foregoing right of disapproval if and so long as (x) any Event of Default shall have occurred and be continuing, or (y) any of the financial covenants contained in this Agreement shall have been waived or modified following a deterioration in the financial condition or results of operations of the Company and its Subsidiaries; and (ii) is not a direct competitor of the Company or engaged in the same or similar business as the Company, or an Affiliate of any such competitor.

"Environmental Claims" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings relating in any way to any Environmental Law or any permit issued under any such law (hereafter "Claims"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the storage, treatment or Release (as defined in CERCLA) of any Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy and rule of common law now or hereafter in effect and in each case as amended, and any binding and enforceable judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment issued to or rendered against the Company or any of its Subsidiaries relating to the environment, employee health and safety or Hazardous Materials, including, without limitation, CERCLA; RCRA; the Federal Water Pollution Control Act, 33 U.S.C. 2601 et seq.; the Clean Air Act, 42 U.S.C. 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. 3803 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. 11001 et seq., the Hazardous Material Transportation Act, 49 U.S.C. 1801 et seq. and the Occupational Safety and Health Act, 29 U.S.C. 651 et seq. (to the extent it regulates occupational exposure to Hazardous Materials); and any state and local or foreign counterparts or equivalents, in each case as amended from time to time.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the Effective Date and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.



"ERISA Affiliate" shall mean each person (as defined in section 3(9) of ERISA) which together with the Company or a Subsidiary of the Company would be deemed to be a "single employer" (i) within the meaning of section 414(b),(c), (m) or (o) of the Code or (ii) as a result of the Company or a Subsidiary of the Company being or having been a general partner of such person.

"Eurodollar Lending Office" shall mean, with respect to any Lender, the office of such Lender specified as its Eurodollar Lending Office in Annex I or in the Assignment Agreement pursuant to which it became a Lender, or such other office or offices for Eurodollar Loans of such Lender as such Lender may from time to time specify to the Treasury Manager and the Administrative Agent.

"Eurodollar Loans" shall mean each Loan bearing interest at the rates provided in section 2.8(b).

"Eurodollar Rate" shall mean with respect to each Interest Period for a Eurodollar Loan, (A) either (i) the rate per annum for deposits in Dollars of amounts in same day funds comparable to the outstanding principal amount of the Eurodollar Loan for which an interest rate is then being determined for a maturity most nearly comparable to such Interest Period which appears on page 3750 of the Dow Jones Telerate Screen as of 11:00 A.M. (local time at the Notice Office) on the date which is two Business Days prior to the commencement of such Interest Period, or (ii) if such a rate does not appear on such page, an interest rate per annum equal to the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in Dollars are offered to each of the Reference Banks by prime banks in the London interbank Eurodollar market for deposits of amounts in Dollars in same day funds comparable to the outstanding principal amount of the Eurodollar Loan for which an interest rate is then being determined with maturities comparable to the Interest Period to be applicable to such Eurodollar Loan, determined as of 11:00 A.M. (London time) on the date which is two Business Days prior to the commencement of such Interest Period, in each case divided (and rounded upward to the nearest whole multiple of 1/16th of 1%) by (B) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves and without benefit of credits for proration, exceptions or offsets which may be available from time to time) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D).

"Event of Default" shall have the meaning provided in section 10.1.

"Existing Indebtedness" shall have the meaning provided in section 7.18.

"Existing Indebtedness Agreements" shall have the meaning provided in section 7.18.

"Facility Fee" shall have the meaning provided in section 3.1(a).

"Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

"Fees" shall mean all amounts payable pursuant to, or referred to in, section 3.

"Foreign Subsidiary" shall mean any Subsidiary (i) which is not incorporated in the United States and substantially all of whose assets and properties are located, or substantially all of whose business is carried on, outside the United States, or (ii) substantially all of whose assets consist of Subsidiaries that are Foreign Subsidiaries as defined in clause (i) of this definition.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time; it being understood and agreed that determinations in accordance with GAAP for purposes of section 9, including defined terms as used therein, are subject (to the extent provided therein) to section 14.7(a).

"Guaranty Obligations" shall mean as to any person (without duplication) any obligation of such person guaranteeing any Indebtedness ("primary Indebtedness") of any other person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such person, whether or not contingent, (a) to purchase any such primary Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary Indebtedness of the ability of the primary obligor to make payment of such primary Indebtedness, or (d) otherwise to assure or hold harmless the owner of such primary Indebtedness against loss in respect thereof, provided, however, that the term Guaranty Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary Indebtedness in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

"Hedge Agreement" shall mean (i) any interest rate swap agreement, any interest rate cap agreement, any interest rate collar agreement or other similar agreement or arrangement designed to protect against fluctuations in interest rates, and

(ii) any currency swap agreement, forward currency purchase agreement or similar agreement or arrangement designed to protect against fluctuations in currency exchange rates.

"Hazardous Materials" shall mean (i) any petrochemical or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; and (ii) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "restricted hazardous materials", "extremely hazardous wastes", "restrictive hazardous wastes", "toxic substances", "toxic pollutants", "contaminants" or "pollutants", or words of similar meaning and regulatory effect, under any applicable Environmental Law.

"Indebtedness" of any person shall mean without duplication:

(i) all indebtedness of such person for borrowed money,

(ii) all bonds, notes, debentures and similar debt securities of such person,

(iii) the deferred purchase price of capital assets or services which in accordance with GAAP would be shown on the liability side of the balance sheet of such person,

(iv) the face amount of all letters of credit issued for the account of such person and, without duplication, all drafts drawn thereunder,

(v) all Indebtedness of a second person secured by any Lien on any property owned by such first person, whether or not such indebtedness has been assumed,

(vi) all Capitalized Lease Obligations of such person,

(vii) the present value, determined on the basis of the implicit interest rate, of all basic rental obligations under all "synthetic" leases (i.e. leases accounted for by the lessee as operating leases under which the lessee is the "owner" of the leased property for Federal income tax purposes,

(viii) all obligations of such person to pay a specified purchase price for goods or services whether or not delivered or accepted, i.e., take-or-pay and similar obligations,

(ix) all net obligations of such person under Hedge Agreements and

(x) the full outstanding balance of trade receivables, notes or other instruments sold with full or limited recourse, other than solely for purposes of collection of delinquent accounts, and

(xi) all Guaranty Obligations of such person,

provided that neither trade payables and accrued expenses, in each case arising in the ordinary course of business, nor obligations in respect of insurance policies or performance or surety bonds which themselves are not guarantees of Indebtedness (nor drafts, acceptances or similar instruments evidencing the same nor obligations in respect of letters of credit supporting the payment of the same), shall constitute Indebtedness.

"Intercreditor Agreement" shall have the meaning provided in section 6.1(g).

"Interest Coverage Ratio" shall mean, for any Testing Period, the ratio of (i) Consolidated EBIT to (ii) Consolidated Interest Expense, in each case on a consolidated basis for the Company and its Subsidiaries for such Testing Period.

"Interest Period" with respect to any Eurodollar Loan shall mean the interest period applicable thereto, as determined pursuant to section 2.9.

"KeyBank" shall mean KeyBank National Association, a national banking association, together with its successors and assigns.

"Knott's Berry Farm" shall have the meaning provided in the introductory paragraph hereof.

"Leaseholds" of any person means all the right, title and interest of such person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

"Lender" shall have the meaning provided in the first paragraph of this Agreement.

"Lender Default" shall mean (i) the refusal (which has not been retracted) of a Lender in violation of the requirements of this Agreement to make available its portion of any incurrence of Loans or (ii) a Lender having notified the Administrative Agent and/or the Treasury Manager that it does not intend to comply with the obligations under section 2.1, in the case of either (i) or (ii) as a result of the appointment of a receiver or conservator with respect to such Lender at the direction or request of any regulatory agency or authority.

"Lender Register" shall have the meaning provided in section 14.16.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Loan" shall have the meaning provided in section 2.1.

"Managing General Partner" shall mean Cedar Fair Management Company, an Ohio corporation, and its successors and assigns.

"Magnum Management" shall have the meaning provided in the introductory paragraph hereof.

"Margin Stock" shall have the meaning provided in Regulation U.

"Material Adverse Effect" shall mean a material adverse effect on the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of, when used with reference to the Company or any of its Subsidiaries, the Company and its Subsidiaries, taken as a whole, or when used with reference to any other person, such person and its Subsidiaries, taken as a whole, as the case may be.

"Material Subsidiary" shall mean, at any time, with reference to any person, any Subsidiary of such person (i) that has assets at such time comprising 5% or more of the consolidated assets of such person and its Subsidiaries; or (ii) whose operations in the current fiscal year are expected to, or whose operations in the most recent fiscal year did, represent more than 5% of Consolidated EBITDA of such person and its Subsidiaries for such fiscal year.

"Maturity Date" shall mean November 28, 2000, or such earlier date on which the Total Commitment is terminated in accordance with the provisions of this Agreement.

"Minimum Borrowing Amount" shall mean (i) for Prime Rate Loans, \$500,000, with minimum increments thereafter of \$100,000, or (ii) Eurodollar Loans, \$2,000,000, with minimum increments thereafter of \$1,000,000.

"Minimum Consolidated Net Worth" shall mean, at any date of determination, the amount determined in accordance with the following provisions:

(i) 90% of the actual Consolidated Net Worth of the Company, as reflected in its annual audited consolidated financial statements for its fiscal year ended December 31, 1997, except that in the case of any date of determination which is made with reference to the end of the Company's first or second fiscal quarter in any fiscal year, such percentage shall be 60% and 70%, respectively;

(ii) plus an amount equal to 100% of the increase in Consolidated Net Worth during the period from the date of such financial statements to the date of determination which is attributable to the issuance of equity by the Company or any of its Subsidiaries to any person other than the Company and its Wholly-Owned Subsidiaries, in connection with any acquisition transaction or public or private offering, other than any sale or issuance to management or employees pursuant to employee benefit plans of general application;

(iii) plus an amount equal to 100% of the increase in Consolidated Net Worth attributable to the exchange or conversion of any Indebtedness of the Company for equity interests in the Company or any of its Subsidiaries during the period from the date of such financial statements to the date of determination.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" shall mean a multiemployer plan, as defined in section 4001(a)(3) of ERISA to which the Company or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding three plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" shall mean an employee benefit plan, other than a Multiemployer Plan, to which the Company or any ERISA Affiliate, and one or more employers other than the Company or an ERISA Affiliate, is making or accruing an obligation to make contributions or, in the event that any such plan has been terminated, to which the Company or an ERISA Affiliate made or accrued an obligation to make contributions during any of the five plan years preceding the date of termination of such plan.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Non-Defaulting Lender" shall mean each Lender other than a Defaulting Lender.

"Note" shall have the meaning provided in section 2.6(a).

"Notice of Borrowing" shall have the meaning provided in section 2.3(a).

"Notice of Conversion" shall have the meaning provided in section 2.7.

"Notice Office" shall mean the office of the Administrative Agent at Key Center, 127 Public Square, Cleveland, Ohio 44114, Attention: Large Corporate Group (facsimile: (216) 689-4981), or such other office, located in a city in the United States Eastern Time Zone, as the Administrative Agent may designate to the Treasury Manager from time to time.

"Obligations" shall mean all amounts, direct or indirect, contingent or absolute, of every type or description, and at any time existing, owing by any or all Co-Borrowers or any other Credit Party to the Administrative Agent or any Lender pursuant to the terms of this Agreement or any other Credit Document.

"Payment Office" shall mean the office of the Administrative Agent at Key Center, 127 Public Square, Cleveland, Ohio 44114, Attention: Large Corporate Group (telephone: (216) 689-4228; facsimile: (216) 689-4981), or such other office, located in a city in the United States Eastern Time Zone, as the Administrative Agent may designate to the Treasury Manager from time to time.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Permitted Acquisition" shall mean and include (i) any acquisition on a going concern basis (whether by purchase, lease or otherwise) of a facility and/or business operated by a person who is not a Subsidiary of the Company, and (ii) acquisitions of a majority (or more) of the outstanding equity or other similar interests in any such person (whether by merger, stock purchase or otherwise); provided, that no such transaction shall be considered a Permitted Acquisition if:

(A) such transaction is actively opposed by the Board of Directors (or similar governing body) of the selling person or the person whose equity interests are to be acquired, unless all of the Lenders consent to such transaction;

(B) the aggregate consideration for such transaction (including the principal amount of any assumed Indebtedness and (without duplication) any Indebtedness of any acquired person or persons) would exceed \$30,000,000, unless the Required Lenders consent to such transaction;

(C) the cumulative aggregate consideration for such transaction and all other Permitted Acquisitions effected by the Company and its Subsidiaries after September 30, 1997 (including the principal amount of any assumed Indebtedness and (without duplication) any Indebtedness of any acquired person or persons), exclusive of the consideration for the acquisition of Knott's Berry Farm, would exceed \$50,000,000, unless the Required Lenders consent to such transaction; or

(D) such acquisition involves the Company and its Subsidiaries in a business which is not similar or related to the businesses engaged in by the Company and its Subsidiaries on the Effective Date.

Notwithstanding the foregoing, the term Permitted Acquisition does not include any loans, advances or investments (including investments in joint ventures) otherwise permitted pursuant to section 9.5.

"Permitted Liens" shall mean Liens permitted by section 9.3.

"person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" shall mean any multiemployer or single-employer plan as defined in section 4001 of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute by) the Company or a Subsidiary of the Company or an ERISA Affiliate, and each such plan for the five year period immediately following the latest date on which the Company, or a Subsidiary of the Company or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

"Prime Rate" shall mean, for any period, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the greater of (i) the rate of interest established by the Administrative Agent at its principal office, from time to time, as its prime rate, whether or not publicly announced, which interest rate may or may not be the lowest rate charged by it for commercial loans or other extensions of credit; and (ii) the Federal Funds Effective Rate in effect from time to time plus 1/2 of 1% per annum.

"Prime Rate Loan" shall mean each Loan bearing interest at the rate provided in section 2.8(a).

"Prohibited Transaction" shall mean a transaction with respect to a Plan that is prohibited under section 4975 of the Code or section 406 of ERISA and not exempt under section 4975 of the Code or section 408 of ERISA.

"RCRA" shall mean the Resource Conservation and Recovery Act, as the same may be amended from time to time, 42 U.S.C. 6901 et seq.

"Real Property" of any person shall mean all of the right, title and interest of such person in and to land, improvements and fixtures, including Leaseholds.



"Reference Banks" shall mean (i) KeyBank, National City Bank, and Bank One, Michigan, and (ii) any other Lender or Lenders selected as a Reference Bank by the Administrative Agent and the Required Lenders, provided, that if any of such Reference Banks is no longer a Lender, such other Lender or Lenders as may be selected by the Administrative Agent acting on instructions from the Required Lenders.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reportable Event" shall mean an event described in section 4043(c) of ERISA with respect to a Plan other than those events as to which the 30-day notice period is waived under subsection .13, .14, .16, .18, .19 or .20 of PBGC Regulation section 2615.

"Required Lenders" shall mean Non-Defaulting Lenders whose outstanding Loans and Unutilized Commitments constitute at least 66+2/3% of the sum of the total outstanding Loans and Unutilized Commitments of Non-Defaulting Lenders (provided that, for purposes hereof, neither the Company, nor any of its Affiliates, shall be included in (i) the Lenders holding such amount of the Loans or having such amount of the Unutilized Commitments, or  
(ii) determining the aggregate unpaid principal amount of the Loans or Unutilized Commitments).

"Sale and Lease-Back Transaction" shall mean any arrangement with any person providing for the leasing by the Company or any Subsidiary of the Company of any property (except for temporary leases for a term, including any renewal thereof, of not more than one year and except for leases between the Company and a Subsidiary or between Subsidiaries), which property has been or is to be sold or transferred by the Company or such Subsidiary to such person.

"S&P" shall mean Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., and its successors.

"SEC" shall mean the United States Securities and Exchange Commission.

"SEC Regulation D" shall mean Regulation D as promulgated under the Securities Act of 1933, as amended, as the same may be in effect from time to time.

"Section 5.4(b)(ii) Certificate" shall have the meaning provided in section 5.4(b)(ii).

"Subsidiary" of any person shall mean and include (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such person directly or indirectly through Subsidiaries and (ii) any partnership, association, joint venture or other entity in which such person directly or indirectly through Subsidiaries, has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to "Subsidiary" shall mean a Subsidiary of the Company.

"Subsidiary Guarantor" shall mean any Subsidiary which is a party to the Subsidiary Guaranty.

"Subsidiary Guaranty" shall have the meaning provided in section 6.1(c).

"Subordinated Indebtedness" shall mean any Indebtedness which has been subordinated to the Obligations in such manner and to such extent as the Administrative Agent (acting on instructions from the Required Lenders) may require.

"Taxes" shall have the meaning provided in section 5.4.

"Testing Period" shall mean for any determination a single period consisting of the four consecutive fiscal quarters of the Company then last ended (whether or not such quarters are all within the same fiscal year).

"Total Commitment" shall mean the sum of the Commitments of the Lenders.

"Treasury Manager" shall have the meaning provided in the introductory paragraph hereof.

"Type" shall mean any type of Loan determined with respect to the interest option applicable thereto, i.e., a Prime Rate Loan or a Eurodollar Loan.

"UCC" shall mean the Uniform Commercial Code.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the actuarial present value of the accumulated plan benefits under the Plan as of the close of its most recent plan year exceeds the fair market value of the assets allocable thereto, each determined in accordance with Statement of Financial Accounting Standards No. 87, based upon the actuarial assumptions used by the Plan's actuary in the most recent annual valuation of the Plan.

"United States" and "U.S." each means United States of America.

"Unutilized Commitment" for any Lender at any time shall mean the excess of (i) such Lender's Commitment at such time over (ii) the principal amount of Loans made by such Lender and outstanding at such time.

"Unutilized Total Commitment" shall mean, at any time, the excess of (i) the Total Commitment at such time over (ii) the aggregate principal amount of all Loans outstanding at such time.

"Value" shall mean, with respect to a Sale and Lease-Back Transaction, as of any particular time, the amount equal to the greater of (i) the net proceeds of the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction or (ii) the fair value in the opinion of the Company, acting in good faith, of such property at the time of entering into such Sale and Lease-Back Transaction.

"Wholly-Owned Subsidiary" shall mean each Subsidiary of the Company at least 95% of whose capital stock, equity interests and partnership interests, other than director's qualifying shares or similar interests, are owned directly or indirectly by the Company.

"Written", "written" or "in writing" shall mean any form of written communication or a communication by means of telex, facsimile transmission, telegraph or cable.

1.2. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

1.3. Accounting Terms. Except as otherwise specifically provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Treasury Manager notifies the Administrative Agent that the Treasury Manager requests an amendment to any provision of section 8 or 9 hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application thereof to such provision (or if the Administrative Agent notifies the Treasury Manager that the Required Lenders request an amendment to any such provision hereof for such purposes), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance with the requirements of this Agreement.

1.4. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to sections, Annexes and Exhibits shall be construed to refer to sections of, and Annexes and Exhibits to, this Agreement, and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real property, tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and interests in any of the foregoing.

## SECTION 2. AMOUNT AND TERMS OF LOANS.

2.1. Commitments for Loans. Subject to and upon the terms and conditions herein set forth, each Lender severally agrees to make a loan or loans (each a "Loan" and, collectively, the "Loans") to the Co-Borrowers, which Loans shall be drawn in accordance with the following provisions: (i) Loans may be made at any time and from time to time on and after the Closing Date and prior to the Maturity Date; (ii) Loans shall be made only in U.S. Dollars; (iii) except as otherwise provided, Loans may, at the option of the Treasury Manager (acting on behalf of all Co-Borrowers), be incurred and maintained as, or converted into, Loans which are either Prime Rate Loans or Eurodollar Loans, provided that all Loans made as part of the same Borrowing shall, unless otherwise specifically provided herein, consist of Loans of the same Type; (iv) Loans may be repaid or prepaid and reborrowed in accordance with the provisions hereof; and (v) the aggregate principal amount of Loans made by any Lender which are outstanding at any time shall not exceed such Lender's Commitment in effect at such time.

2.2. Pro Rata Borrowings. All Borrowings shall be made by the Lenders pro rata on the basis of their respective Commitments. It is understood that no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its Commitment hereunder.

2.3. Notice of Borrowing. (a) Whenever the Co-Borrowers desire to incur Loans, the Treasury Manager (acting on behalf of all Co-Borrowers) shall give the Administrative Agent at its Notice Office,

(A) Borrowings of Eurodollar Loans: in the case of any Borrowing of Eurodollar Loans to be made hereunder, prior to 11:00 A.M. (local time at its Notice Office), at least three Business Days' prior written or telephonic notice thereof (in the case of telephonic notice, promptly confirmed in writing if so requested by the Administrative Agent), or

(B) Borrowings of Prime Rate Loans: in the case of any Borrowing of Prime Rate Loans to be made hereunder, prior to 11:00 A.M. (local time at its Notice Office) on the proposed date thereof written or telephonic notice thereof (in the case of telephonic notice, promptly confirmed in writing if so requested by the Administrative Agent), or

Each such notice (each such notice, a "Notice of Borrowing") shall (if requested by the Administrative Agent to be confirmed in writing), be substantially in the form of Exhibit B-1, and in any event shall be irrevocable and shall specify: (i) the aggregate principal amount of the Loans to be made pursuant to such Borrowing; (ii) the date of the Borrowing (which shall be a Business Day); (iii) whether the Borrowing shall consist of Prime Rate Loans or Eurodollar Loans; and (iv) if the requested Borrowing consists of Eurodollar Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly, and in any event on the same day it receives any Notice of Borrowing, give each Lender written notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing, of such Lender's proportionate share thereof and of the other matters covered by the Notice of Borrowing relating thereto.

(b) Without in any way limiting the obligation of the Treasury Manager to confirm in writing any telephonic notice permitted to be given hereunder, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Treasury Manager entitled to give telephonic notices under this Agreement on behalf of the Co-Borrowers. In each such case, the Administrative Agent's record of the terms of such telephonic notice shall be conclusive absent manifest error.

2.4. Disbursement of Funds. (a) No later than 2:00 P.M. (local time at the Payment Office) on the date specified in each Notice of Borrowing, each Lender will make available its pro rata share of each Borrowing requested to be made on such date in the manner provided below. All amounts shall be made available to the Administrative Agent in U.S. dollars and immediately available funds at the Payment Office and the Administrative Agent promptly will make available to the Co-Borrowers by depositing to the Treasury Manager 's account at the Payment Office the aggregate of the amounts so made available in the type of funds received. Unless the Administrative Agent shall have been notified by any Lender prior to the date of Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Co- Borrowers a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available same to the Co-Borrowers, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Treasury Manager, and the Co-Borrowers shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Lender or the Co-Borrowers, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Co-Borrowers to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (x) if paid by such Lender, the overnight Federal Funds Effective Rate or (y) if paid by the Co-Borrowers, the then applicable rate of interest, calculated in accordance with section 2.8, for the respective Loans (but without any requirement to pay any amounts in respect thereof pursuant to section 2.11).

(b) Nothing herein and no subsequent termination of the Commitments pursuant to section 4.1 or 4.2 shall be deemed to relieve any Lender from its obligation to fulfill its Commitment hereunder and in existence from time to time or to prejudice any rights which the Co-Borrowers may have against any Lender as a result of any default by such Lender hereunder.

2.5. Minimum Borrowing Amounts. The aggregate principal amount of each Borrowing by the Co-Borrowers shall not be less than the Minimum Borrowing Amount. More than one Borrowing may be incurred by the Co-Borrowers on any day, provided that if there are two or more Borrowings on a single day which consist of Eurodollar Loans, each such Borrowing shall have a different initial Interest Period.

2.6. Notes. (a) The Co-Borrowers' obligation to pay the principal of, and interest on, the Loans made to the Co-Borrowers by each Lender shall be evidenced by a promissory note substantially in the form of Exhibit A with blanks appropriately completed in conformity herewith (each a "Note" and, collectively, the "Notes").

(b) The Note issued to a Lender shall: (i) be executed by the Co-Borrowers who are at such time parties to this Agreement; (ii) be payable to the order of such Lender and be dated on or prior to the date the first Loan evidenced thereby is made; (iii) be in a stated principal amount equal to the Commitment of such Lender and be payable in the principal amount of Loans evidenced thereby; (iv) mature on the Maturity Date; (v) bear interest as provided in section 2.8 in respect of the Prime Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby; (vi) be subject to mandatory prepayment as provided in section 5.2: and (vii) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) Each Lender will note on its internal records the amount of each Loan made by it and each payment in respect thereof and will, prior to any transfer of any Note, endorse on the reverse side thereof or the grid attached thereto the outstanding principal amount of Loans evidenced thereby. Failure to make any such notation or any error in any such notation shall not affect the any Co-Borrower's obligations in respect of such Loans.

2.7. Conversions of Loans. The Co-Borrowers shall have the option to convert on any Business Day all or a portion at least equal to the applicable Minimum Borrowing Amount of the outstanding principal amount of the outstanding Loans comprising a Borrowing into a Borrowing or Borrowings of the other Type of Loan which can be made hereunder, provided that: (i) no partial conversion of a Borrowing of Eurodollar Loans shall reduce the outstanding principal amount of the Eurodollar Loans made pursuant to such Borrowing to less than the Minimum Borrowing Amount applicable thereto; (ii) any conversion of Eurodollar Loans into Prime Rate Loans shall be made on, and only on, the last day of an Interest Period for such Eurodollar Loans; (iii) Prime Rate Loans may only be converted into Eurodollar Loans if no Default under section 10.1(a) or Event of Default is in existence on the date of the conversion unless the Required Lenders otherwise agree; and (iv) Borrowings of Eurodollar Loans resulting from this section 2.7 shall conform to the requirements of section 2.5. Each such conversion shall be effected by the Treasury Manager (acting on behalf of all Co-Borrowers) giving the Administrative Agent at its Notice Office, prior to 11:00 A.M. (local time at such Notice Office), at least three Business Days' (or prior to 11:00 A.M. (local time at such Notice Office) same Business Day's, in the case of a conversion into Prime Rate Loans) prior written notice (or telephonic notice promptly confirmed in writing if so requested by the Administrative Agent) (each a "Notice of Conversion"), substantially in the form of Exhibit B-2, specifying the Loans to be so converted, the Type of Loans to be converted into and, if to be converted into a Borrowing of Eurodollar Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion. For the avoidance of doubt, the prepayment or repayment of any Loans out of the proceeds of other Loans by the Co-Borrowers is not considered a conversion of Loans into other Loans.

2.8. Interest. (a Interest on Prime Rate Loans. During such periods as a Loan is a Prime Rate Loan, the unpaid principal amount thereof shall bear interest at a fluctuating rate per annum which shall at all times be equal to the Prime Rate in effect from time to time.

(b Interest on Eurodollar Loans. During such periods as a Loan is a Eurodollar Loan, the unpaid principal amount thereof shall bear interest at a rate per annum which shall at all times during any Interest Period applicable thereto be the relevant Eurodollar Rate for such Interest Period plus the Applicable Eurodollar Margin (as defined below) in effect from time to time.

(c Default Interest. Notwithstanding the above provisions, if a Default under section 10.1(a) or Event of Default is in existence, all outstanding amounts of principal and, to the extent permitted by law, all overdue interest, in respect of each Loan shall bear interest, payable on demand, at a fluctuating rate per annum equal to 2% per annum above the Prime Rate in effect from time to time. If any amount (other than the principal of and interest on the Loans) payable by any Co- Borrower under the Credit Documents is not paid when due, such amount shall bear interest, payable on demand, at a fluctuating rate per annum equal to 2% per annum above the Prime Rate in effect from time to time.

(d Accrual and Payment of Interest. Interest shall accrue from and including the date of any Borrowing to but excluding the date of any prepayment or repayment thereof and shall be payable:

(i in the case of any Prime Rate Loan, quarterly in arrears on the last Business Day of March, June, September and December,

(ii in the case of any Eurodollar Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on the dates which are successively three months after the commencement of such Interest Period, and

(iii in respect of each Loan, on any prepayment or conversion (on the amount prepaid or converted), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e Computations of Interest. All computations of interest hereunder shall be made in accordance with section 14.7(b).

(f Information as to Interest Rates. Each Reference Bank agrees to furnish the Administrative Agent timely information for the purpose of determining the Eurodollar Rate for any Borrowing consisting of Eurodollar Loans. If any one or more of the Reference Banks shall not timely furnish such information, the Administrative Agent shall determine the Eurodollar Rate on the basis of timely information furnished by the remaining Reference Banks. The Administrative Agent upon determining the interest rate for any Borrowing shall promptly notify the Borrower and the Lenders thereof.



(g) Applicable Eurodollar Margin. As used herein, the term "Applicable Eurodollar Margin", as applied to any Loan which is a Eurodollar Loan, means the rate per annum determined by the Administrative Agent in accordance with the Pricing Grid Table which appears below, based on the Company's Consolidated EBITDA/Interest Ratio and the following provisions. Initially, until changed hereunder in accordance with the following provisions, the Applicable Eurodollar Margin will be 42.50 basis points per annum. Changes in the Applicable Eurodollar Margin, based upon changes in the Company's Consolidated EBITDA/Interest Ratio as at the end of any fiscal quarter ending on or after the fiscal quarter ended on or nearest to December 31, 1999, shall become effective on the first day of the month following the receipt by the Administrative Agent pursuant to section 8.1(a) or

(b) of the financial statements of the Company, accompanied by the certificate referred to in section 8.1(c), demonstrating the computation of such ratio, based upon the ratio in effect at the end of the applicable period covered (in whole or in part) by such financial statements; provided that if any financial statements referred to in section 8.1(a) or (b), or the related certificate referred to in section 8.1(c), are not timely delivered, the Administrative Agent may determine the Applicable Eurodollar Margin based upon a good faith estimate by the Treasury Manager of such ratio as in effect at the end of the applicable period to be covered (in whole or in part) by such financial statements, provided, further, that if upon delivery of such delinquent financial statements and related certificate, such financial statements indicate that such good faith estimate was incorrect and, as a result thereof, the Applicable Eurodollar Margin for any Loans was too low at such determination, the Applicable Eurodollar Margin for such Loans shall be increased, as appropriate, with retroactive effect to the date of the change made on the basis of such determination, and the Co-Borrowers will immediately pay to the Administrative Agent, for the account of the Lenders all additional interest due by reason of such increased Applicable Eurodollar Margin. Any changes in the Applicable Eurodollar Margin shall be determined by the Administrative Agent and the Administrative Agent will promptly provide notice of such determinations to the Treasury Manager and the Lenders. Any such determination by the Administrative Agent pursuant to this section 2.8(g) shall be conclusive and binding absent manifest error.

**PRICING GRID TABLE**  
(Expressed in Basis Points)

Consolidated EBITDA/Interest Ratio	Applicable Eurodollar Margin	Applicable Facility Fee Rate
11.00 to 1.00	40.00	20.00
8.00 to 1.00 and < 11.00 to 1.00	42.50	22.50
6.00 to 1.00 and < 8.00 to 1.00	45.00	25.00
< 6.00 to 1.00	47.50	27.50

2.9. Interest Periods. (a) At the time the Treasury Manager gives a Notice of Borrowing or Notice of Conversion in respect of the making of, or conversion into, a Borrowing of Eurodollar Loans (in the case of the initial Interest Period applicable thereto) or prior to 11:00 A.M. (local time at the applicable Notice Office) on the third Business Day prior to the expiration of an Interest Period applicable to a Borrowing of Eurodollar Loans, it shall have the right to elect by giving the Administrative Agent written or telephonic notice (in the case of telephonic notice, promptly confirmed in writing if so requested by the Administrative Agent) of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Treasury Manager, be a one, two, three or six month period. Notwithstanding anything to the contrary contained above:

(i the initial Interest Period for any Borrowing of Eurodollar Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of Prime Rate Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(ii if any Interest Period begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iii if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(iv no Interest Period for any Loan may be selected which would end after the Maturity Date; and

(v no Interest Period may be elected at any time when a Default under section 10.1(a) or an Event of Default is then in existence unless the Required Lenders otherwise agree.

(b If upon the expiration of any Interest Period the Treasury Manager has failed to (or may not) elect a new Interest Period to be applicable to the respective Borrowing of Eurodollar Loans as provided above, the Treasury Manager shall be deemed to have elected to convert such Borrowing to Prime Rate Loans effective as of the expiration date of such current Interest Period.

2.10. Increased Costs, Illegality, etc. (a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, any Lender, shall have determined on a reasonable basis (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto):

(i on any date for determining the Eurodollar Rate for any Interest Period that, by reason of any changes arising after the Effective Date affecting the interbank Eurodollar market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate; or

(ii at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder in an amount which such Lender deems material with respect to any Eurodollar Loans (other than any increased cost or reduction in the amount received or receivable resulting from the imposition of or a change in the rate of taxes or similar charges) because of (x) any change since the Effective Date in any applicable law, governmental rule, regulation, guideline, order or request (whether or not having the force of law), or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, guideline, order or request (such as, for example, but not limited to, a change in official reserve requirements, but, in all events, excluding reserves includable in the Eurodollar Rate pursuant to the definition thereof) and/or (y) other circumstances adversely affecting the interbank Eurodollar market or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any Eurodollar Loan has become unlawful by compliance by such Lender in good faith with any change since the Effective Date in any law, governmental rule, regulation, guideline or order, or the interpretation or application thereof, or would conflict with any thereof not having the force of law but with which such Lender customarily complies or has become impracticable as a result of a contingency occurring after the Effective Date which materially adversely affects the interbank Eurodollar market;

then, and in any such event, such Lender (or the Administrative Agent in the case of clause (i) above) shall (x) on or promptly following such date or time and (y) within 10 Business Days of the date on which such event no longer exists give notice (by telephone confirmed in writing) to the Treasury Manager and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other applicable Lenders). Thereafter (x) in the case of clause (i) above, Eurodollar Loans shall no longer be available until such time as the Administrative Agent notifies the Treasury Manager and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist, and any Notice of Borrowing or Notice of Conversion given by the Treasury Manager with respect to Eurodollar Loans which have not yet been incurred or converted shall be deemed rescinded by the Treasury Manager or, in the case of a Notice of Borrowing, shall, at the option of the Treasury Manager, be deemed converted into a Notice of Borrowing for Prime Rate Loans to be made on the date of Borrowing contained in such Notice of Borrowing, (y) in the case of clause (ii) above, the Co-Borrowers shall pay to such Lender, upon written demand therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender shall determine) as shall be required to compensate such Lender, for such increased costs or reductions in amounts receivable hereunder (a written notice as to the additional amounts owed to such Lender, showing the basis for the calculation thereof, which basis must be reasonable, submitted to the Borrower by such Lender shall, absent manifest error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause

(iii) above, the Co-Borrowers shall take one of the actions specified in section 2.10(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any Eurodollar Loan is affected by the circumstances described in section 2.10(a)(ii) or (iii), the Treasury Manager (on behalf of all Co-Borrowers) may (and in the case of a Eurodollar Loan affected pursuant to section 2.10(a)(iii) the Treasury Manager shall) either (i) if the affected Eurodollar Loan is then being made pursuant to a Borrowing, by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Treasury Manager was notified by a Lender pursuant to section 2.10(a)(ii) or (iii), cancel said Borrowing, convert the related Notice of Borrowing into one requesting a Borrowing of Prime Rate Loans or require the affected Lender to make its requested Loan as a Prime Rate Loan, or (ii) if the affected Eurodollar Loan is then outstanding, upon at least one Business Day's notice to the Administrative Agent, require the affected Lender to convert each such Eurodollar Loan into a Prime Rate Loan, provided that if more than one Lender is affected at any time, then all affected Lenders must be treated the same pursuant to this section 2.10 (b).

(c) If any Lender shall have determined that after the Effective Date, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged by law with the interpretation or administration thereof, or compliance by such Lender or its parent corporation with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, in each case made subsequent to the Effective Date, has or would have the effect of reducing by an amount reasonably deemed by such Lender to be material the rate of return on such Lender's or its parent corporation's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent corporation could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent corporation's policies with respect to capital adequacy), then from time to time, within 15 days after demand by such Lender upon the Treasury Manager (with a copy to the Administrative Agent), the Co-Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent corporation for such reduction. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this section 2.10(c), will give prompt written notice thereof to the Treasury Manager, which notice shall set forth, in reasonable detail, the basis of the calculation of such additional amounts, which basis must be reasonable, although the failure to give any such notice shall not release or diminish any Co-Borrowers's obligations to pay additional amounts pursuant to this section 2.10(c) upon the subsequent receipt of such notice.

(d) Notwithstanding anything in this Agreement to the contrary, (i) no Lender shall be entitled to compensation or payment or reimbursement of other amounts under section 2.10 or 5.4 for any amounts incurred or accruing more than 180 days prior to the giving of notice to the Treasury Manager of additional costs or other amounts of the nature described in such sections, and (ii) no Lender shall demand compensation for any reduction referred to in section 2.10(c) or payment or reimbursement of other amounts under section 5.4 if it shall not at the time be the general policy or practice of such Lender to demand such compensation, payment or reimbursement in similar circumstances under comparable provisions of other credit agreements.

2.11. Breakage Compensation. The Co-Borrowers shall compensate each applicable Lender, upon its written request (which request shall set forth the detailed basis for requesting and the method of calculating such compensation), for all reasonable losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its Eurodollar Loans) which such Lender may sustain: (i) if for any reason (other than a default by such Lender or the Administrative Agent), a Borrowing of Eurodollar Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion (whether or not rescinded or withdrawn by the Treasury Manager or deemed rescinded or withdrawn pursuant to section 2.10(a)); (ii) if any repayment, prepayment or conversion of any of its Eurodollar Loans occurs on a date which is not the last day of an Interest Period applicable thereto; (iii) if any prepayment of any of its Eurodollar Loans is not made on any date specified in a notice of prepayment given by the Treasury Manager; or (iv) as a consequence of (x) any other default by the Co-Borrowers (or any of them) to repay their Eurodollar Loans when required by the terms of this Agreement or (y) an election made pursuant to section 2.10(b).

2.12. Change of Lending Office; Replacement of Lenders.

(a) Each Lender agrees that, upon the occurrence of any event giving rise to the operation of section 2.10(a)(ii) or (iii), 2.10(c) or 5.4 with respect to such Lender, it will, if requested by the Treasury Manager, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another Applicable Lending Office for any Loans or Commitment affected by such event, provided that such designation is made on such terms that such Lender and its Applicable Lending Office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such section.

(b) If any Lender requests any compensation, reimbursement or other payment under section 2.10(a)(ii) or (iii) or 2.10(c) with respect to such Lender, or if the Co-Borrowers are required to pay any additional amount to any Lender or governmental authority pursuant to section 5.4, or if any Lender is a Defaulting Lender, then the Treasury Manager (on behalf of all Co-Borrowers) may, at its and their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with the restrictions contained in section 14.4(b)), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Treasury Manager shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from

the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Co-Borrowers (in the case of all other amounts), and (iii) in the case of any such assignment resulting from a claim for compensation, reimbursement or other payments required to be made under section 2.10(a)(ii) or (iii) or 2.10(c) with respect to such Lender, or resulting from any required payments to any Lender or governmental authority pursuant to section 5.4, such assignment will result in a reduction in such compensation, reimbursement or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Treasury Manager to require such assignment and delegation cease to apply.

(c Nothing in this section 2.12 shall affect or postpone any of the obligations of the Co-Borrowers or the right of any Lender provided in section 2.10 or 5.4.

### SECTION 3. FEES.

3.1. Facility Fee. (a) The Co-Borrowers agree to pay to the Administrative Agent a Facility Fee ("Facility Fee"), for the account of each Non-Defaulting Lender, for the period from and including the Effective Date to but not including the date the Total Commitment has been terminated and all Loans have been paid in full. The Co-Borrowers will pay the Facility Fee in advance, with the first such payment being due on the Effective Date for the period through February 29, 2000, and succeeding quarterly payments being due on each March 1, June 1, September 1 and December 1 thereafter for the quarterly period commencing on such date, commencing March 1, 2000, until the Maturity Date (or if later, the date when all Loans have been paid in full). The Facility Fee payable on any date shall be computed at the Applicable Facility Fee Rate then in effect on the entire amount of the Total Commitment, whether used or unused.

(b If at any time the Co-Borrowers voluntarily reduce the Total Commitment in part pursuant to section 4.1 or voluntarily terminate the Total Commitment in whole pursuant to section 4.1, each affected Lender will, if no Default under section 10.1(a) or Event of Default shall have occurred and be continuing, refund to the Treasury Manager (for the account of the Co-Borrowers) such portion, if any, of any Facility Fee previously received by such Lender as relates to the amount by which its Commitment has been so reduced and covers any period following such reduction, or as relates to its Commitment and covers any period following any such termination.

(c) As used herein, the term "Applicable Facility Fee Rate" means the rate per annum determined by the Administrative Agent in accordance with the Pricing Grid Table which appears in section 2.8(g), based on the Company's Consolidated EBITDA/Interest Ratio and the following provisions; provided, that notwithstanding any thing to the contrary contained herein, if any Facility Fee is payable at a time when a Default under section 10.1(a) or Event of Default shall have occurred and be continuing, the Applicable Facility Fee Rate for such payment will be the highest rate per annum indicated for the Applicable Facility Fee Rate in such Pricing Grid Table. Initially, until changed hereunder in accordance with the following provisions, the Applicable Facility Fee Rate will be 22.50 basis points per annum. Changes in the Applicable Facility Fee Rate, based upon changes in the Company's Consolidated EBITDA/Interest Ratio as at the end of any fiscal quarter ending on or after the fiscal quarter ended on or nearest to December 31, 1999, shall become effective for any Facility Fee payable on or after the first day of the month following the receipt by the Administrative Agent pursuant to section 8.1(a) or (b) of the financial statements of the Company, accompanied by the certificate referred to in section 8.1(c), demonstrating the computation of such ratio, based upon the ratio in effect at the end of the applicable period covered (in whole or in part) by such financial statements; provided that if any financial statements referred to in section 8.1(a) or (b), or the related certificate referred to in section 8.1(c), are not timely delivered or are not yet due to be delivered with respect to any fiscal quarter or year which has ended, the Administrative Agent may determine the Applicable Facility Fee Rate based upon a good faith estimate by the Treasury Manager of such ratio as in effect at the end of the applicable period to be covered (in whole or in part) by such financial statements, provided, further, that if upon delivery of such delinquent financial statements and related certificate, such financial statements indicate that such good faith estimate was incorrect and, as a result thereof, the Applicable Facility Fee Rate was too low at such determination, the Applicable Facility Fee Rate shall be increased, as appropriate, with retroactive effect to the date of the change made on the basis of such determination, and the Co-Borrowers will immediately pay to the Administrative Agent for the account of the Lenders all additional Facility Fee due by reason of such increased Applicable Facility Fee Rate. Any changes in the Applicable Facility Fee Rate shall be determined by the Administrative Agent and the Administrative Agent will promptly provide notice of such determinations to the Treasury Manager and the Lenders. Any such determination by the Administrative Agent pursuant to this section 3.1(c) shall be conclusive and binding absent manifest error.

3.2. Other Fees. The Co-Borrowers shall pay to the Administrative Agent on the Effective Date and thereafter for its own account and/or for distribution to the Lenders such fees as heretofore agreed in writing by the Treasury Manager (on behalf of the Co-Borrowers) or by the Company and the Administrative Agent.

3.3. Computations of Fees. All computations of Fees under this Agreement shall be made in accordance with section 14.7(b).



#### SECTION 4. COMMITMENTS.

4.1. Voluntary Termination/Reduction of Commitments. Upon at least three Business Days' prior written notice (or telephonic notice confirmed in writing) to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), by the Treasury Manager (on behalf of the Co-Borrowers), the Co-Borrowers shall have the right, without premium or penalty, to:

(a) terminate the Total Commitment, provided that all outstanding Loans are contemporaneously prepaid in accordance with section 5.1; and/or

(b) partially and permanently reduce the Unutilized Total Commitment, provided that (i) any such reduction shall apply to proportionately and permanently reduce the applicable Commitment of each of the Lenders; and (ii) any partial reduction of the Unutilized Total Commitment pursuant to this section 4.1(b) shall be in the amount of at least \$5,000,000 (or, if greater, in integral multiples of \$1,000,000).

4.2. Mandatory Termination of Commitments, etc. (a) The Total Commitment (and the Commitment of each Lender) shall terminate on December 15, 1999, unless the Closing Date has occurred on or prior to such date.

(b) The Total Commitment (and each Commitment of each Lender) shall terminate on the earlier of (x) the Maturity Date, (y) the date on which a Change of Control occurs, and (z) the date on which a Determination of Taxability occurs.

#### SECTION 5. PAYMENTS.

5.1. Voluntary Prepayments. The Co-Borrowers shall have the right to prepay any of the Loans, in whole or in part, without premium or penalty, from time to time, but only on the following terms and conditions:

(a) the Treasury Manager shall give the Administrative Agent at the Notice Office written or telephonic notice (in the case of telephonic notice, promptly confirmed in writing if so requested by the Administrative Agent) of its intent to prepay the Loans, the amount of such prepayment and (in the case of Eurodollar Loans) the specific Borrowing(s) pursuant to which made, which notice shall be received by the Administrative Agent by

(i) 11:00 A.M. (local time at the Notice Office)

three Business Days prior to the date of such prepayment, in the case of any prepayment of Eurodollar Loans, or

(ii 11:00 A.M. (local time at the Notice Office)  
on the date of such prepayment, in the case of any prepayment of Prime Rate Loans,

and which notice shall promptly be transmitted by the Administrative Agent to each of the Lenders;

(b in the case of any partial prepayment of any Borrowing consisting of Prime Rate Loans, the amount of such partial prepayment shall be in an aggregate principal of at least \$500,000 or an integral multiple of \$100,000 in excess thereof;

(c in the case of any partial prepayment of any Borrowing consisting of Eurodollar Loans, the amount of such partial prepayment shall be in an aggregate principal of at least \$2,000,000 or an integral multiple of \$1,000,000 in excess thereof;

(d no partial prepayment of any Loans made pursuant to a Borrowing shall reduce the aggregate principal amount of such Loans outstanding pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto;

(e each prepayment in respect of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans; and

(f each prepayment of Eurodollar Loans pursuant to this section 5.1 on any date other than the last day of the Interest Period applicable thereto shall be accompanied by any amounts payable in respect thereof under section 2.11.

5.2. Mandatory Prepayments. The Loans shall be subject to mandatory prepayment in accordance with the following provisions:

(a If Outstanding Loans Exceed Total Commitment. If on any date (after giving effect to any other payments on such date) the aggregate outstanding principal amount of Loans exceeds the Total Commitment as then in effect, the Co-Borrowers shall prepay on such date Loans in an aggregate amount, conforming to the requirements of section 5.1 as to the amount of partial prepayments provided for therein, at least equal to such excess.

(b Change of Control. On the date on which a Change of Control occurs, notwithstanding anything to the contrary contained in this Agreement, no further Borrowings shall be made and the then outstanding principal amount of all Loans, if any, shall become due and payable and shall be prepaid in full.

(c Determination of Taxability. On the date on which a Determination of Taxability occurs, notwithstanding anything to the contrary contained in this Agreement, no further Borrowings shall be made and the then outstanding principal amount of all Loans, if any, shall become due and payable and shall be prepaid in full.

(d Particular Loans to be Prepaid. With respect to each prepayment of Loans required by this section 5.2, the Treasury Manager shall designate the Types of Loans which are to be prepaid and the specific Borrowing(s) pursuant to which such prepayment is to be made, provided that (i) the Treasury Manager shall first so designate all Loans that are Prime Rate Loans and Eurodollar Loans with Interest Periods ending on the date of prepayment prior to designating any other Eurodollar Loans for prepayment, (ii) if the outstanding principal amount of Eurodollar Loans made pursuant to a Borrowing is reduced below the applicable Minimum Borrowing Amount as a result of any such prepayment, then all the Loans outstanding pursuant to such Borrowing shall be converted into Prime Rate Loans, and (iii) each prepayment of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans. In the absence of a designation by the Treasury Manager as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion with a view, but no obligation, to minimize breakage costs owing under section 2.11. Any prepayment of Eurodollar Loans pursuant to this section 5.2 shall in all events be accompanied by such compensation as is required by section 2.11.

5.3. Method and Place of Payment. Except as otherwise specifically provided herein, all payments under this Agreement shall be made to the Administrative Agent for the ratable (based on its pro rata share) account of the Lenders entitled thereto, not later than 11:00 A.M. (local time at the Payment Office) on the date when due and shall be made in immediately available funds and in lawful money of the United States of America at the Payment Office, it being understood that written notice by any Co- Borrower, or by the Treasury Manager (on behalf of any Co- Borrower) to the Administrative Agent to make a payment from the funds in such Co-Borrower's account, or the account of any Co- Borrower so designated by the Treasury Manager, at the Payment Office shall constitute the making of such payment to the extent of such funds held in such account. Any payments under this Agreement which are made later than 11:00 A.M. (local time at the Payment Office) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4. Net Payments. (a) All payments made by any Co- Borrower hereunder, under any Note or any other Credit Document, will be made without setoff, counterclaim or other defense. Except as provided for in section 5.4(b), all such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding, except as provided in the second succeeding sentence, any tax, imposed on or measured by the net income or net profits of a Lender pursuant to the laws of the jurisdiction under which such Lender is organized or the jurisdiction in which the principal office or Applicable Lending Office of such Lender is located or any subdivision thereof or therein) and all interest, penalties or similar liabilities with respect to such non excluded taxes, levies imposts, duties, fees, assessments or other charges (all such nonexcluded taxes levies, imposts, duties, fees assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, the Co-Borrowers agree to pay the full amount of such Taxes and such additional amounts as may be necessary so that every payment by any Co-Borrower of all amounts due hereunder, under any Note or under any other Credit Document, after withholding or deduction for or on account of any Taxes will not be less than the amount provided for herein or in such Note or in such other Credit Document. If any amounts are payable in respect of Taxes pursuant to the preceding sentence, the Co-Borrowers agree to reimburse each Lender, upon the written request of such Lender for taxes imposed on or measured by the net income or profits of such Lender pursuant to the laws of the jurisdiction in which such Lender is organized or in which the principal office or Applicable Lending Office of such Lender is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which the principal office or Applicable Lending Office of such Lender is located and for any withholding of income or similar taxes imposed by the United States of America as such Lender shall determine are payable by, or withheld from, such Lender in respect of such amounts so paid to or on behalf of such Lender pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of such Lender pursuant to this sentence, which request shall be accompanied by a statement from such Lender setting forth, in reasonable detail, the computations used in determining such amounts. Each Co-Borrower will furnish to the Administrative Agent within 45 days after the date the payment of any Taxes, or any withholding or deduction on account thereof, is due pursuant to applicable law certified copies of tax receipts, or other evidence satisfactory to the Lender, evidencing such payment by such Co-Borrower. The Co-Borrowers will indemnify and hold harmless the Administrative Agent and each Lender, and reimburse the Administrative Agent or such Lender upon its written request, for the amount of any Taxes so levied or imposed and paid or withheld by such Lender.

(b) Each Lender that is not a United States person (as such term is defined in section 7701(a)(30) of the Code) for Federal income tax purposes agrees to provide to the Treasury Manager and the Administrative Agent on or prior to the Effective Date, or in the cases of a Lender that is an assignee or transferee of an interest under this Agreement pursuant to section 14.4 (unless the respective Lender was already a Lender hereunder immediately prior to such assignment or transfer and such Lender is in compliance with the provisions of this section 5.4(b)), on the date of such assignment or transfer to such Lender, (i) two accurate and complete original signed copies of Internal Revenue Service Form 4224 or 1001 (or successor forms) certifying to such Lender's entitlement to a complete exemption from United States withholding tax with respect to payments to be made under this Agreement, any Note or any other Credit Document, or (ii) if the Lender is not a "bank" within the meaning of section 881(c)(3)(A) of the Code and cannot deliver either Internal Revenue Service Form 1001 or 4224 pursuant to clause (i) above, (x) a certificate substantially in the form of Exhibit E (any such certificate, a "Section 5.4(b)(ii) Certificate") and (y) two accurate and complete original signed copies of Internal Revenue Service Form W-8 (or successor form) certifying to such Lender's entitlement to a complete exemption from United States withholding tax with respect to payments of interest to be made under this Agreement, any Note or any other Credit Document. In addition, each Lender agrees that from time to time after the Effective Date, when a lapse in time or change in circumstances renders the previous certification obsolete or inaccurate in any material respect, it will deliver to the Treasury Manager and the Administrative Agent two new accurate and complete original signed copies of Internal Revenue Service Form 4224 or 1001, or Form W-8 and a Section

5.4(b)(ii) Certificate, as the case may be, and such other forms as may be required in order to confirm or establish the entitlement of such Lender to a continued exemption from or reduction in United States withholding tax with respect to payments under this Agreement, any Note or any other Credit Document, or it shall immediately notify the Treasury Manager and the Administrative Agent of its inability to deliver any such Form or Certificate, in which case such Lender shall not be required to deliver any such Form or Certificate pursuant to this section 5.4(b). Notwithstanding anything to the contrary contained in section 5.4(a), but subject to section 14.4(b) and the immediately succeeding sentence, (x) each Co-Borrower shall be entitled, to the extent it is required to do so by law, to deduct or withhold income or other similar taxes imposed by the United States (or any political subdivision or taxing authority thereof or therein) from interest, fees or other amounts payable hereunder for the account of any Lender which is not a United States person (as such term is defined in section 7701(a)(30) of the Code) for United States federal income tax purposes and which has not provided to the Treasury Manager such forms that establish a complete exemption from such deduction or withholding and (y) no Co-Borrower shall be obligated pursuant to section 5.4(a) hereof to gross-up payments to be made to a Lender in respect of income or similar taxes imposed

by the United States or any additional amounts with respect thereto (I) if such Lender has not provided to the Treasury Manager the Internal Revenue Service forms required to be provided to the Treasury Manager pursuant to this section 5.4(b) or (II) in the case of a payment other than interest, to a Lender described in clause (ii) above, to the extent that such forms do not establish a complete exemption from withholding of such taxes. Notwithstanding anything to the contrary contained in the preceding sentence or elsewhere in this section 5.4 and except as specifically provided for in section 14.4(b), the Co-Borrowers agree to pay additional amounts and indemnify each Lender in the manner set forth in section 5.4(a) (without regard to the identity of the jurisdiction requiring the deduction or withholding) in respect of any Taxes deducted or withheld by it as described in the previous sentence as a result of any changes after the Effective Date in any applicable law, treaty, governmental rule, regulation, guideline or order, or in the interpretation thereof, relating to the deducting or withholding of income or similar Taxes.

(c) If any Lender, in its sole opinion, determines that it has finally and irrevocably received or been granted a refund in respect of any Taxes paid as to which indemnification has been paid by the Borrower pursuant to this section, it shall promptly remit such refund (including any interest received in respect thereof), net of all out-of-pocket costs and expenses; provided, that the Co-Borrowers agree to promptly return any such refund (plus interest) to such Lender in the event such Lender is required to repay such refund to the relevant taxing authority. Any such Lender shall provide the Treasury Manager with a copy of any notice of assessment from the relevant taxing authority (redacting any unrelated confidential information contained therein) requiring repayment of such refund. Nothing contained herein shall impose an obligation on any Lender to apply for any such refund.

(d) Reference is hereby made to the provisions of section 2.10(d) for certain limitations upon the rights of a Lender under this section.

## SECTION 6. CONDITIONS PRECEDENT.

6.1. Conditions Precedent at Closing Date. The obligation of the Lenders to make Loans is subject to the satisfaction of each of the following conditions on the Closing Date:

(a) Effectiveness; Notes. On or prior to the Closing Date, (i) the Effective Date shall have occurred and (ii) there shall have been delivered to the Administrative Agent for the account of each Lender the appropriate Note or Notes executed by the Co-Borrowers, in each case, in the amount, maturity and as otherwise provided herein.

(b) Fees, etc. The Co-Borrowers shall have paid or caused to be paid all fees required to be paid by them on or prior to such date pursuant to section 3 hereof and all reasonable fees and expenses of the Administrative Agent and of special counsel to the Administrative Agent which have been invoiced on or prior to such date in connection with the preparation, execution and delivery of this Agreement and the other Credit Documents and the consummation of the transactions contemplated hereby and thereby.

(c) Other Credit Documents. The Credit Parties named therein shall have duly executed and delivered and there shall be in full force and effect, and original counterparts shall have been delivered to the Administrative Agent, in sufficient quantities for the Administrative Agent and the Lenders, of, the Subsidiary Guaranty (as modified, amended or supplemented from time to time in accordance with the terms thereof and hereof, the "Subsidiary Guaranty"), substantially in the form attached hereto as Exhibit C-1.

(d) Corporate Resolutions and Approvals. The Administrative Agent shall have received, in sufficient quantity for the Administrative Agent and the Lenders, certified copies of the resolutions of the Board of Directors of each Co-Borrower and each other Credit Party (or, as to any Credit Party which is a partnership, of the Board of Directors of one of its general partners), approving the Credit Documents to which any Co-Borrower or any such other Credit Party, as the case may be, is or may become a party, and of all documents evidencing other necessary corporate or other organizational action and governmental approvals, if any, with respect to the execution, delivery and performance by any Co-Borrower or any such other Credit Party of the Credit Documents to which it is or may become a party.

(e) Incumbency Certificates. The Administrative Agent shall have received, in sufficient quantity for the Administrative Agent and the Lenders, a certificate of the Secretary or an Assistant Secretary of each Co-Borrower and other Credit Party (or as to any Credit Party which is a partnership, of the Secretary or an Assistant Secretary of one of its general partners), certifying the names and true signatures of the officers of such Co-Borrower or such other Credit Party (or of any general partner, if such Credit Party is a partnership), as the case may be, authorized to sign the Credit Documents to which such Co-Borrower or such other Credit Party is a party and any other documents to which such Co-Borrower or any such other Credit Party is a party which may be executed and delivered in connection herewith.

(f) Opinion of Counsel. On the Closing Date, the Administrative Agent shall have received an opinion, addressed to the Administrative Agent and each of the Lenders and dated the Closing Date, from Squire Sanders & Dempsey, special counsel to the Company, substantially in the form of Exhibit C-2 hereto and covering such other matters incident to the transactions contemplated hereby as the Administrative Agent may reasonably request, such opinion to be in form and substance satisfactory to the Administrative Agent.

(g) Intercreditor Agreement. The parties named therein shall have duly executed and delivered and there shall be in full force and effect, and original counterparts shall have been delivered to the Administrative Agent, in sufficient quantities for the Administrative Agent and the Lenders, of, the Intercreditor Agreement (as modified, amended or supplemented from time to time in accordance with the terms thereof and hereof, the "Intercreditor Agreement"), substantially in the form attached hereto as Exhibit C-3.

(h) Proceedings and Documents. All partnership, corporate and other proceedings and all documents incidental to the transactions contemplated hereby shall be satisfactory in substance and form to the Administrative Agent and the Lenders and the Administrative Agent and its special counsel and the Lenders shall have received all such counterpart originals or certified or other copies of such documents as the Administrative Agent or its special counsel or any Lender may reasonably request.

6.2. Conditions Precedent to All Loans. The obligations of the Lenders to make each Loan, including any Loans made on the Closing Date, is subject, at the time thereof, to the satisfaction of the following conditions:

(a) Notice of Borrowing, etc. The Administrative Agent shall have received a Notice of Borrowing meeting the requirements of section 2.3 with respect to the incurrence of Loans.

(b) No Default; Representations and Warranties. At the time of each Loan and also after giving effect thereto,

(i) there shall exist no Default or Event of Default and

(ii) all representations and warranties of the Credit Parties contained herein or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Loan, except to the extent that such representations and warranties expressly relate to an earlier specified date, in which case such representations and warranties shall have been true and correct in all material respects as of the date when made.

The acceptance of the proceeds of each Loan shall constitute a representation and warranty by the Co-Borrowers to each of the Lenders that all of the applicable conditions specified in section 6.1 and/or 6.2, as the case may be, exist as of that time. All of the certificates, legal opinions and other documents and papers referred to in this section 6, unless otherwise specified, shall be delivered to the Administrative Agent for the account of each of the Lenders and, except for the Notes, in sufficient counterparts for each of the Lenders, and the Administrative Agent will promptly distribute to the Lenders their respective Notes and the copies of such other certificates, legal opinions and documents.



## SECTION 7. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lenders to enter into this Agreement and to make the Loans provided for herein, the Co-Borrowers make the following representations and warranties to, and agreements with, the Lenders, all of which shall survive the execution and delivery of this Agreement and each Loan:

7.1. Organizational Status, etc. Each of the Company and its Subsidiaries (i) is a duly organized or formed and validly existing corporation, partnership or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its formation and has the corporate, partnership or limited liability company power and authority, as applicable, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage, and (ii) has duly qualified and is authorized to do business in all jurisdictions where it is required to be so qualified except where the failure to be so qualified would not have a Material Adverse Effect.

7.2. Subsidiaries. Annex II hereto lists, as of the date hereof, each Subsidiary of the Company (and the direct and indirect ownership interest of the Company therein).

7.3. Organizational Power and Authority, etc. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is party. Each Credit Party has duly executed and delivered each Credit Document to which it is party and each Credit Document to which it is party constitutes the legal, valid and binding agreement or obligation of such Credit Party enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

7.4. No Violation. Neither the execution, delivery and performance by any Credit Party of the Credit Documents to which it is party nor compliance with the terms and provisions thereof

(i) will contravene any provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality applicable to such Credit Party or its properties and assets, (ii) will conflict with or result in any breach of, any of the terms, covenants, conditions or provisions

of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party pursuant to the terms of any promissory note, bond, debenture, indenture, mortgage, deed of trust, credit or loan agreement, or any other material agreement or other instrument, to which such Credit Party is a party or by which it or any of its property or assets are bound or to which it may be subject, or (iii) will violate any provision of the certificate or articles of incorporation, code of regulations or by-laws, or other charter documents of such Credit Party.

7.5. Governmental Approvals. No order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, any foreign or domestic governmental or public body or authority, or any subdivision thereof, is required to authorize or is required as a condition to (i) the execution, delivery and performance by any Credit Party of any Credit Document to which it is a party, or (ii) the legality, validity, binding effect or enforceability of any Credit Document to which any Credit Party is a party.

7.6. Litigation. There are no actions, suits or proceedings pending or, to, the knowledge of the Company, threatened with respect to the Company or any of its Subsidiaries (i) that have, or could reasonably be expected to have, a Material Adverse Effect, or (ii) which question the validity or enforceability of any of the Credit Documents, or of any action to be taken by any Credit Party pursuant to any of the Credit Documents to which it is a party.

7.7. Use of Proceeds; Margin Regulations. (a) The proceeds of all Loans shall be utilized for lawful purposes not inconsistent with the requirements of this Agreement.

(b) No part of the proceeds of any Loan will be used directly or indirectly to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, in violation of any of the terms or provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. No Co-Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. At no time would more than 25% of the value of the assets of any Co-Borrower or of any Co-Borrower and its consolidated Subsidiaries that are subject to any "arrangement"

(as such term is used in section 221.2(g) of such Regulation U) hereunder be represented by Margin Stock.

7.8. Financial Statements, etc. (a) The Company has furnished to the Lenders and the Administrative Agent complete and correct copies of (i) the audited consolidated balance sheets of the Company and its consolidated subsidiaries as of December 31, 1998, and December 31, 1997, and the related audited consolidated statements of income, partners' equity, and cash flows for the fiscal years then ended, accompanied by the unqualified report thereon of the Company's independent accountants, as contained in the most recent Form 10-K Annual Report of the Company filed with the SEC; and (ii) the unaudited condensed consolidated balance sheets of the Company and its consolidated subsidiaries as of its fiscal quarter ended on or nearest to September 30, 1999, and the related unaudited condensed consolidated statements of income and of cash flows of the Company and its consolidated subsidiaries for the fiscal quarter or quarters then ended, as contained in the most recent Form 10-Q Quarterly Report of the Company filed with the SEC. All such financial statements have been prepared in accordance with GAAP, consistently applied (except as stated therein), and fairly present the financial position of the Company and its consolidated subsidiaries as of the respective dates indicated and the consolidated results of their operations and cash flows for the respective periods indicated, subject in the case of any such financial statements which are unaudited, to normal audit adjustments, none of which will involve a Material Adverse Effect.

(b) Each Co-Borrower has received consideration which is the reasonable equivalent value of the obligations and liabilities that such Co-Borrower has incurred to the Administrative Agent and the Lenders. Each Co-Borrower now has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage and is now solvent and able to pay its debts as they mature and each Co-Borrower, as of the Closing Date, or if later, as of the date it became an Additional Co-Borrower hereunder, owns property having a value, both at fair valuation and at present fair salable value, greater than the amount required to pay such Co-Borrower's debts; and no Co-Borrower is entering into or otherwise becoming a party to any of the Credit Documents with the intent to hinder, delay or defraud its creditors.

(c) The Company has delivered or caused to be delivered to the Lenders prior to the execution and delivery of this Agreement a copy of the Company's Report on Form 10-K as filed (without Exhibits) with the SEC for its fiscal year ended December 31, 1998, which contains a general description of the business and affairs of the Company and its Subsidiaries.

7.9. No Material Adverse Change. Since December 31, 1998, there has been no change in the condition, business or affairs of the Company and its Subsidiaries taken as a whole, or their properties and assets considered as an entirety, except for changes, none of which, individually or in the aggregate, has had or could reasonably be expected to have, a Material Adverse Effect.

7.10. Tax Returns and Payments. Each of the Company and each of its Subsidiaries has filed all federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by it and has paid all material taxes and assessments payable by it which have become due, other than those not yet delinquent and except for those contested in good faith. The Company and each of its Subsidiaries has established on its books such charges, accruals and reserves in respect of taxes, assessments, fees and other governmental charges for all fiscal periods as are required by GAAP. The Company knows of no proposed assessment for additional federal, foreign or state taxes for any period, or of any basis therefor, which, individually or in the aggregate, taking into account such charges, accruals and reserves in respect thereof as the Company and its Subsidiaries have made, could reasonably be expected to have a Material Adverse Effect.

7.11. Title to Properties, etc. The Company and each of its Subsidiaries has good and marketable title, in the case of real property, and good title (or valid leasehold interests, in the case of any leased property), in the case of all other property, to all of its properties and assets free and clear of Liens other than Liens permitted by section 9.3. The interests of the Company and each of its Subsidiaries in the properties reflected in the most recent balance sheet referred to in section 7.8, taken as a whole, were sufficient, in the judgment of the Company, as of the date of such balance sheet for purposes of the ownership and operation of the businesses conducted by the Company and such Subsidiaries.

7.12. Lawful Operations, etc. The Company and each of its Subsidiaries (i) holds all necessary federal, state and local governmental licenses, registrations, certifications, permits and authorizations necessary to conduct its business, and (ii) is in full compliance with all material requirements imposed by law, regulation or rule, whether federal, state or local, which are applicable to it, its operations, or its properties and assets, including without limitation, applicable requirements of Environmental Laws, except for any failure to obtain and maintain in effect, or noncompliance, which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

7.13. Environmental Matters. (a) The Company and each of its Subsidiaries is in compliance with all Environmental Laws governing its business except to the extent that any such failure to comply (together with any resulting penalties, fines or forfeitures) would not reasonably be expected to have a Material Adverse Effect. All licenses, permits, registrations or approvals required for the business of the Company and each of its Subsidiaries, as conducted as of the Closing Date, under any Environmental Law have been secured and the Company and each of its Subsidiaries is in substantial compliance therewith, except for such licenses, permits, registrations or approvals the failure to secure or to comply therewith is not reasonably likely to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received written notice, or otherwise knows, that it is in any respect in noncompliance with, breach of or default under any applicable writ, order, judgment, injunction, or decree to which the Company or such Subsidiary is a party or which would affect the ability of the Company or such Subsidiary to operate any real property and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would

constitute noncompliance, breach of or default thereunder, except in each such case, such noncompliance, breaches or defaults as would not reasonably be expected to, in the aggregate, have a Material Adverse Effect. There are as of the Closing Date no Environmental Claims pending or, to the best knowledge of the Company, threatened wherein an unfavorable decision, ruling or finding would reasonably be expected to have a Material Adverse Effect. There are no facts, circumstances, conditions or occurrences on any Real Property now or at any time owned, leased or operated by the Company or any of its Subsidiaries or on any property adjacent to any such Real Property, which are known by the Company or as to which the Company or any such Subsidiary has received written notice, that could reasonably be expected (i) to form the basis of an Environmental Claim against the Company or any of its Subsidiaries or any Real Property of the Company or any of its Subsidiaries, or (ii) to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Property under any Environmental Law, except in each such case, such Environmental Claims or restrictions that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

(b) Hazardous Materials have not at any time been (i) generated, used, treated or stored on, or transported to or from, any Real Property of the Company or any of its Subsidiaries or  
(ii) released on any such Real Property, in each case where such occurrence or event is not in compliance with Environmental Laws and is reasonably likely to have a Material Adverse Effect.

7.14. Compliance with ERISA. Compliance by the Company with the provisions hereof and Loans contemplated hereby will not involve any prohibited transaction within the meaning of ERISA or section 4975 of the Code. The Company and each of its Subsidiaries, (i) has fulfilled all obligations under minimum funding standards of ERISA and the Code with respect to each Plan that is not a Multiemployer Plan or a Multiple Employer Plan,  
(ii) has satisfied all respective contribution obligations in respect of each Multiemployer Plan and each Multiple Employer Plan, (iii) is in compliance in all material respects with all other applicable provisions of ERISA and the Code with respect to each Plan, each Multiemployer Plan and each Multiple Employer Plan, and (iv) has not incurred any liability under the Title IV of ERISA to the PBGC with respect to any Plan, any Multiemployer Plan, any Multiple Employer Plan, or any trust established thereunder. No Plan or trust created thereunder has been terminated, and there have been no Reportable Events, with respect to any Plan or trust created thereunder or with respect to any Multiemployer Plan or Multiple Employer Plan, which termination or Reportable Event will or could result in the termination of such Plan, Multiemployer Plan or Multiple Employer Plan and give rise to a material liability of the Company or any ERISA Affiliate in respect thereof. Neither the Company nor any ERISA Affiliate is at the date hereof, or has been

at any time within the two years preceding the date hereof, an employer required to contribute to any Multiemployer Plan or Multiple Employer Plan, or a "contributing sponsor" (as such term is defined in section 4001 of ERISA) in any Multiemployer Plan or Multiple Employer Plan, except that the Company and/or one or more of the other Co-Borrowers is and has been a contributor to a Multiple Employer Plan (see the disclosure in the footnotes to the Company's annual financial statements; as a matter of information, the contribution in 1998 was approximately \$400,000). Neither the Company nor any ERISA Affiliate has any contingent liability with respect to any post-retirement "welfare benefit plan" (as such term is defined in ERISA) except as has been disclosed to the Lenders in writing.

7.15. Intellectual Property, etc. The Company and each of its Subsidiaries has obtained or has the right to use all material patents, trademarks, servicemarks, trade names, copyrights, licenses and other rights with respect to the foregoing necessary for the present and planned future conduct of its business, without any known conflict with the rights of others, except for such patents, trademarks, servicemarks, trade names, copyrights, licenses and rights, the loss of which, and such conflicts, which in any such case individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

7.16. Investment Company Act, etc. Neither the Company nor any of its Subsidiaries is subject to regulation with respect to the creation or incurrence of Indebtedness under the Investment Company Act of 1940, as amended, the Interstate Commerce Act, as amended, the Federal Power Act, as amended, the Public Utility Holding Company Act of 1935, as amended, or any applicable state public utility law.

7.17. Burdensome Contracts; Labor Relations. Neither the Company nor any of its Subsidiaries (i) is subject to any burdensome contract, agreement, corporate restriction, judgment, decree or order, (ii) is a party to any labor dispute affecting any bargaining unit or other group of employees generally, (iii) is subject to any material strike, slow down, workout or other concerted interruptions of operations by employees of the Company or any Subsidiary, whether or not relating to any labor contracts, (iv) is subject to any significant pending or, to the knowledge of the Company, threatened, unfair labor practice complaint, before the National Labor Relations Board, and (v) is subject to any significant pending or, to the knowledge of the Company, threatened, grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement, (vi) is subject to any significant pending or, to the knowledge of the Company, threatened, significant strike, labor dispute, slowdown or stoppage, or (vii) is, to the knowledge of the Company, involved or subject to any union representation organizing or certification matter with respect to the employees of the Company or any of its Subsidiaries, except (with respect to any matter specified in any of the above clauses), for such matters as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

7.18. Existing Indebtedness. Annex III sets forth a true and complete list, as of the date or dates set forth therein, of all Indebtedness of the Company and each of its Subsidiaries, on a consolidated basis, which (i) has an outstanding principal amount of at least \$5,000,000, or may be incurred pursuant to existing commitments or lines of credit or (ii) is secured by any Lien on any property of the Company or any Subsidiary, and which will be outstanding on the Closing Date after giving effect to the initial Borrowing hereunder, other than the Indebtedness created under the Credit Documents (all such Indebtedness, whether or not in a principal amount meeting such threshold and required to be so listed on Annex III, herein the "Existing Indebtedness"). The Company has provided to the Administrative Agent prior to the date of execution hereof true and complete copies (or summary descriptions) of all agreements and instruments governing the Indebtedness listed on Annex III (the "Existing Indebtedness Agreements").

7.19. Year 2000 Problem. The Co-Borrowers and their respective Subsidiaries have reviewed the areas within their business and operations which could be adversely affected by, and have developed or are developing a program to address on a timely basis the "Year 2000 Problem" (that is, the risk that computer applications used by the Company and its Subsidiaries may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999). Based on such review and program, the Co-Borrowers reasonably believe that the "Year 2000 Problem" will not have a Material Adverse Effect.

7.20. True and Complete Disclosure. All factual information (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Company or any of its Subsidiaries in writing to the Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated herein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of such person in writing to any Lender will be, true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time in light of the circumstances under which such information was provided, except that any such future information consisting of financial projections prepared by management of the Company is only represented herein as being based on good faith estimates and assumptions believed by such persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered

by any such projections may differ materially from the projected results. As of the Effective Date, there is no fact known to the Company or any of its Subsidiaries which has, or could reasonably be expected to have, a Material Adverse Effect which has not theretofore been disclosed in writing to the Lenders.

## SECTION 8. AFFIRMATIVE COVENANTS.

Each Co-Borrower hereby covenants and agrees that so long as this Agreement is in effect and until such time as the Total Commitment has been terminated, no Notes are outstanding and the Loans, together with interest, Fees and all other Obligations hereunder, have been paid in full:

8.1. Reporting Requirements. The Company will furnish to each Lender and the Administrative Agent:

(a) Annual Financial Statements. As soon as available and in any event within 100 days after the close of each fiscal year of the Company, the consolidated balance sheets of the Company and its consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of income, of partner's equity and of cash flows for such fiscal year, in each case setting forth comparative figures for the preceding fiscal year, all in reasonable detail and accompanied by the opinion with respect to such consolidated financial statements of independent public accountants of recognized national standing selected by the Company, which opinion shall be unqualified and shall (i) state that such accountants audited such consolidated financial statements in accordance with generally accepted auditing standards, that such accountants believe that such audit provides a reasonable basis for their opinion, and that in their opinion such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as at the end of such fiscal year and the consolidated results of their operations and cash flows for such fiscal year in conformity with generally accepted accounting principles, or (ii) contain such statements as are customarily included in unqualified reports of independent accountants in conformity with the recommendations and requirements of the American Institute of Certified Public Accountants (or any successor organization).

(b) Quarterly Financial Statements. As soon as available and in any event within 50 days after the close of each of the first three quarterly accounting periods in each fiscal year of the Company, the unaudited condensed consolidated balance sheets of the Company and its consolidated Subsidiaries as at the end of such quarterly period and the related unaudited condensed consolidated statements of income and of cash flows for such quarterly



period or for the portion of the fiscal year ended with such quarterly period, and setting forth, in the case of such unaudited consolidated statements of income and of cash flows, comparative figures for the related periods in the prior fiscal year, and which consolidated financial statements shall be certified on behalf of the Company by the Chief Financial Officer or other Authorized Officer of the Company, subject to changes resulting from normal year- end audit adjustments.

(c) Officer's Compliance Certificates. At the time of the delivery of the financial statements provided for in sections 8.1(a) and (b), a certificate on behalf of the Company of the Chief Financial Officer or other Authorized Officer of the Company to the effect that, to the best knowledge of the Company, no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth the calculations required to determine the Consolidated EBITDA/Interest Ratio and establish compliance with the provisions of sections 9.4(c), 9.5(p) and sections 9.6 through 9.8, inclusive, of this Agreement, including an identification of the amounts of any financial items of persons or business units acquired or disposed of by the Company for any periods prior to the date of acquisition which are used in making such calculations.

(d) Notice of Default. Promptly, and in any event within three Business Days after the Company or any of its Subsidiaries obtains knowledge thereof, notice of the occurrence of any event which constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Company proposes to take with respect thereto.

(e) ERISA. Promptly, and in any event within 10 days after the Company, any Subsidiary of the Company or any ERISA Affiliate knows of the occurrence of any of the following, the Company will deliver to each of the Lenders a certificate on behalf of the Company of an Authorized Officer of the Company setting forth the full details as to such occurrence and the action, if any, that the Company, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given to or filed with or by the Company, the Subsidiary, the ERISA Affiliate, the PBGC, a Plan participant or the Plan administrator with respect thereto:

(i) that a Reportable Event has occurred with respect to any Plan;

- (ii) the institution of any steps by the Company, any ERISA Affiliate, the PBGC or any other person to terminate any Plan;
- (iii) the institution of any steps by the Company or any ERISA Affiliate to withdraw from any Plan;
- (iv) the institution of any steps by the Company or any Subsidiary to withdraw from any Multiemployer Plan or Multiple Employer Plan, if such withdrawal could result in withdrawal liability (as described in Part 1 of Subtitle E of Title IV of ERISA) in excess of \$1,000,000;
- (v) a non-exempt "prohibited transaction" within the meaning of section 406 of ERISA in connection with any Plan;
- (vi) that a Plan has an Unfunded Current Liability exceeding \$1,000,000;
- (vii) any material increase in the contingent liability of the Company or any Subsidiary with respect to any post-retirement welfare liability; or
- (viii) the taking of any action by, or the threatening of the taking of any action by, the Internal Revenue Service, the Department of Labor or the PBGC with respect to any of the foregoing.

(f) Environmental Matters. Promptly upon, and in any event within 10 Business Days after, an officer of the Company obtains actual knowledge thereof, notice of any of the following:

- (i) any pending, or threatened (in writing), Environmental Claim against the Company or any of its Subsidiaries or any Real Property at any time owned or operated by the Company or any of its Subsidiaries, which involves any reasonable likelihood (in the Company's reasonable judgment) of resulting in a Material Adverse Effect: or
- (ii) any condition or occurrence on or arising from any particular Real Property at any time owned or operated by the Company or any of its Subsidiaries that, in the Company's reasonable judgment, will require clean-up, removal or other remediation expenditures (including Consolidated Capital Expenditures) by the Company and its Subsidiaries of more than \$1,000,000 to achieve substantial compliance with Environmental Laws.

All such notices shall describe in reasonable detail the nature of the Environmental Claim, condition or occurrence and the Company's or such Subsidiary's proposed response thereto.

(g) **Determination of Taxability.** Promptly upon any election by the Company, or the receipt of any notice or other communication from the Internal Revenue Service, which constitutes, or might reasonably give rise to, a Determination of Taxability, copies of all relevant documentation related thereto, and a notice from the Company which refers specifically to the prepayment obligations of the Company under section 5.2(c) hereof.

(h) **SEC Reports and Registration Statements.** Promptly upon transmission thereof or other filing with the SEC, copies of all registration statements (other than the exhibits thereto and any registration statement on Form S-8 or its equivalent) and annual, quarterly or current reports that the Company or any of its Subsidiaries files with the SEC.

(i) **Other Information.** With reasonable promptness, such other information or documents (financial or otherwise) relating to the Company or any of its Subsidiaries as any Lender may reasonably request from time to time.

**8.2. Books, Records and Inspections.** The Company will, and will cause each of its Subsidiaries to, (i) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company or such Subsidiaries, as the case may be, in accordance with GAAP, in the case of the Company, or which are reconcilable to a GAAP presentation, in the case of any Subsidiary; and (ii) permit, upon at least five Business Days' notice to the Chief Financial Officer or any other Authorized Officer of the Company, officers and designated representatives of the Administrative Agent or any of the Lenders to visit and inspect any of the properties or assets of the Company and any of its Subsidiaries in whomsoever's possession (but only to the extent the Company or such Subsidiary has the right to do so to the extent in the possession of another person), and to examine the books of account of the Company and any of its Subsidiaries and discuss the affairs, finances and accounts of the Company and of any of its Subsidiaries with, and be advised as to the same by, its and their officers and independent accountants and independent actuaries, if any, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or any of the Lenders may request.

**8.3. Insurance.** The Company will, and will cause each of its Subsidiaries to, (i) maintain insurance coverage by such insurers and in such forms and amounts and against such risks as are generally consistent with the insurance coverage maintained by the Company and its Subsidiaries at the date hereof, and (ii) forthwith upon any Lender's written request, furnish to such Lender such information about such insurance as such Lender may from time to time reasonably request, which information shall be prepared in form and detail satisfactory to such Lender and certified by an Authorized Officer of the Company.

8.4. Payment of Taxes and Claims. The Company will pay and discharge, and will cause each of its Subsidiaries to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a Lien or charge upon any properties of the Company or any of its Subsidiaries; provided that neither the Company nor any of its Subsidiaries shall be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings if it has maintained adequate reserves with respect thereto in accordance with GAAP.

8.5. Corporate Franchises. The Company will do, and will cause each of its Subsidiaries to do, or cause to be done, all things necessary to preserve and keep in full force and effect its corporate or other organizational existence, rights, authority and franchises, provided that nothing in this section 8.5 shall be deemed to prohibit (i) any transaction permitted by section 9.2; (ii) the termination of existence of any Subsidiary if (A) the Company determines that such termination is in its best interest and (B) such termination is not adverse in any material respect to the Lenders; or (iii) the loss of any rights, authorities or franchises if the loss thereof, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

8.6. Good Repair. The Company will, and will cause each of its Subsidiaries to, ensure that its material properties and equipment used or useful in its business in whomsoever's possession they may be, are kept in good repair, working order and condition, normal wear and tear excepted, and that from time to time there are made in such properties and equipment all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements, thereto, to the extent and in the manner customary for companies in similar businesses.

8.7. Compliance with Statutes, etc. The Company will, and will cause each of its Subsidiaries to, comply, in all material respects, with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property, other than those (i) being contested in good faith by appropriate proceedings, as to which adequate reserves are established to the extent required under GAAP, and (ii) the noncompliance with which would not have, and which would not be reasonably expected to have, a Material Adverse Effect or a material adverse effect on the ability of the Company to perform its obligations under any Credit Document.

8.8. Compliance with Environmental Laws. Without limitation of the covenants contained in section 8.7 hereof:

(a) The Company will, and will cause each of its Subsidiaries to, (i) comply, in all material respects, with all Environmental Laws applicable to the ownership, lease or use of all Real Property now or hereafter owned, leased or operated by the Company or any of its Subsidiaries, and promptly pay or cause to be paid all costs and expenses incurred in connection with such compliance, except for such noncompliance as would not have, and which would not be reasonably expected to have, a Material Adverse Effect or a material adverse effect on the ability of the Company to perform its obligations under any Credit Document; and (ii) keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws which are not permitted under section 9.3.

(b) Without limitation of the foregoing, if the Company or any of its Subsidiaries shall generate, use, treat, store, release or dispose of, or permit the generation, use, treatment, storage, release or disposal of, Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Company or any of its Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, any such action shall be effected only in the ordinary course of business and in any event in compliance, in all material respects, with all Environmental Laws applicable thereto, except for such noncompliance as would not have, and which would not be reasonably expected to have, a Material Adverse Effect or a material adverse effect on the ability of the Company to perform its obligations under any Credit Document.

(c) If required to do so under any applicable order of any governmental agency, the Company will undertake, and cause each of its Subsidiaries to undertake, any clean up, removal, remedial or other action necessary to remove and clean up any Hazardous Materials from any Real Property owned, leased or operated by the Company or any of its Subsidiaries in accordance with, in all material respects, the requirements of all applicable Environmental Laws and in accordance with, in all material respects, such orders of all governmental authorities, except (i) to the extent that the Company or such Subsidiary is contesting such order in good faith and by appropriate proceedings and for which adequate reserves have been established to the extent required by GAAP, or (ii) for such noncompliance as would not have, and which would not be reasonably expected to have, a Material Adverse Effect or a material adverse effect on the ability of the Company to perform its obligations under any Credit Document.

8.9. Fiscal Years, Fiscal Quarters. The Company will, for consolidated financial reporting purposes, continue to use December 31 as the end of its fiscal year and its current methodology for determining the length of its fiscal quarters. If the Company shall change any of its Subsidiaries' fiscal years or fiscal quarters (other than the fiscal year or fiscal quarters of a person which becomes a Subsidiary, made at the time such person becomes a Subsidiary, to conform to the Company's fiscal year and fiscal quarters or to conform to the fiscal year or fiscal quarters which the Company generally utilizes for its Subsidiaries), the Company will promptly, and in any event within 30 days following any such change, deliver a notice to the Administrative Agent and the Lenders describing such change and any material accounting entries made in connection therewith and stating whether such change will have any impact upon any financial computations to be made hereunder, and if any such impact is foreseen, describing in reasonable detail the nature and extent of such impact. If the Required Lenders determine that any such change will have any impact upon any financial computations to be made hereunder which is adverse to the Lenders, the Company will, if so requested by the Administrative Agent, enter into an amendment to this Agreement, in form and substance satisfactory to the Administrative Agent and the Required Lenders, modifying any of the financial covenants or related provisions hereof in such manner as the Required Lenders determine is necessary to eliminate such adverse effect.

8.10. Certain Subsidiaries to Enter into or Join in Subsidiary Guaranty. (a) In the event that at any time after the Closing Date

(x) the Company has any Material Subsidiary (other than a Foreign Subsidiary as to which section 8.10(b) applies) which is not at the time a Co-Borrower or a party to the Subsidiary Guaranty, or

(y) an Event of Default shall have occurred and be continuing and the Borrower has any Subsidiary which is not at the time a Co-Borrower or a party to the Subsidiary Guaranty,

the Company will notify the Administrative Agent in writing of such event, identifying the Subsidiary in question and referring specifically to the rights of the Administrative Agent and the Lenders under this section. The Company will, within 30 days following request therefor from the Administrative Agent (who may give such request on its own initiative or upon request by the Required Lenders), cause such Subsidiary to deliver to the Administrative Agent, in sufficient quantities for the Lenders,

(i) counterparts of a joinder supplement, satisfactory in form and substance to the Administrative Agent and the Required Lenders, duly executed by such Subsidiary, pursuant to which such Subsidiary joins in the Subsidiary Guaranty as a guarantor thereunder, and (ii) if such Subsidiary is a corporation, resolutions of the Board of Directors of such Subsidiary, certified by the Secretary or an Assistant Secretary of such Subsidiary as duly adopted and in full force and effect, authorizing the execution and delivery of such joinder supplement, or if such Subsidiary is not a corporation, such other evidence of the authority of such Subsidiary to execute such joinder supplement as the Administrative Agent may reasonably request.

(b) Notwithstanding the foregoing provisions of this section 8.10, the Company shall not, unless an Event of Default shall have occurred and be continuing, be required to cause a Foreign Subsidiary to join in the Subsidiary Guaranty if (i) to do so would subject the Company or its partners to liability for additional United States income taxes by virtue of section 956 of the Code in an amount the Company considers material, and (ii) the Company provides the Administrative Agent, within the 30-day period referred to in section 8.10(a), with documentation, including computations prepared by the Company's internal tax officer, its independent accountants or tax counsel, acceptable to the Required Lenders, in support thereof.

8.11. Hedge Agreements, etc. In the event the Company or any of its Subsidiaries desires to enter into any Hedge Agreement in order to provide protection to the Company or any such Subsidiary from fluctuations and other changes in interest rates and currency exchange rates, the Company or such Subsidiary will be free to do so, provided that the Company will not, and will not permit any Subsidiary to, enter into a Hedge Agreement which exposes the Company or its Subsidiaries to predominantly speculative risks unrelated to the amount of assets, Indebtedness or other liabilities intended to be subject to coverage on a notional basis under all such Hedge Agreements.

8.12. Most Favored Covenant Status, etc. Should any Co-Borrower at any time after the Effective Date, issue or guarantee any unsecured Indebtedness denominated in U.S. dollars for money borrowed or represented by bonds, notes, debentures or similar securities in an aggregate amount exceeding \$5,000,000, to any lender or group of lenders acting in concert with one another, or one or more institutional investors, pursuant to a loan agreement, credit agreement, note purchase agreement, indenture, guaranty or other similar instrument, which agreement, indenture, guaranty or instrument, includes affirmative or negative business or financial covenants (or any events of default or other type of restriction which would have the practical effect of any affirmative or negative business or financial covenant, including, without limitation, any "put" or mandatory prepayment or redemption of any such Indebtedness upon the occurrence of a "change of control") which are applicable to any Co-Borrower, other than those set forth herein or in any of the other Credit Documents, the Company shall promptly so notify the Administrative Agent and the Lenders and, if the Administrative Agent shall so request by written notice to the Company (after a determination has been made by the Required Lenders that any of the above-referenced documents or instruments contain any such provisions, which either individually or in the aggregate, are more favorable to the holders of such unsecured Indebtedness than any of the provisions set forth herein), the Co-Borrowers, the Administrative Agent and the Lenders shall promptly amend this Agreement to incorporate some or all of such provisions, in the discretion of the Administrative Agent and the Required Lenders, into this Agreement and, to the extent necessary and reasonably desirable to the Administrative Agent and the Required Lenders, into any of the other Credit Documents, all at the election of the Administrative Agent and the Required Lenders.

8.13. Addition and Deletion of Co-Borrowers. Whenever the Company determines that it desires for a Wholly-Owned Subsidiary which is not already a Co-Borrower to become a party hereto as a Co-Borrower, it will cause such Subsidiary to deliver to the Administrative Agent an Election to Participate for such Subsidiary and such other evidence of the authority of such Subsidiary to become a Co-Borrower as the Administrative Agent may reasonably request. The addition of a Subsidiary as a Co-Borrower (an "Additional Co-Borrower") shall be subject to the approval of the Administrative Agent and the Required Lenders in their sole discretion, and such approval shall be evidenced, so far as the Co-Borrowers are concerned, only by the signed written acceptance by the Administrative Agent of an Election to Participate in the space provided at the end of the form of Election to Participate attached as an Exhibit hereto. No Election to Participate shall be valid or effective for any purpose until so accepted in writing by the Administrative Agent. If requested by the Administrative Agent (acting on instructions from the Required Lenders) at any time, the Company will take such actions as may be necessary to add any Wholly-Owned Subsidiary as an Additional Co-Borrower. If at any time the Company determines that a Subsidiary should no longer be a Co-Borrower, it may, with the prior written consent of the Administrative Agent and all of the Lenders, cause such Co-Borrower to deliver to the Administrative Agent an Election to Terminate with respect to such Borrowing Subsidiary. No such Election to Terminate shall be valid or effective for any purpose until accepted by the Administrative Agent and such acceptance evidenced by the signature of the Administrative Agent in the space provided at the end of the form of Election to Terminate attached as an Exhibit hereto.

8.14. Concentration of Assets. The Company covenants and agrees that (i) the consolidated total assets of the Company and Knott's Berry Farms shall at all times constitute at least 70% of the consolidated total assets of the Company and its Subsidiaries and (ii) the unconsolidated total assets of the Company shall at all times constitute at least 40% of the consolidated total assets of the Company and its Subsidiaries.

8.15. Senior Debt. The Co-Borrowers will at all times ensure that (a) the claims of the Lenders in respect of the Obligations of each Co-Borrower will not be subordinate to, and will in all respects at least rank pari passu with, the claims of every other senior unsecured creditor of such Co-Borrower, and  
(b) any Indebtedness subordinated in any manner to the claims of any other senior unsecured creditor of any Co-Borrower will be subordinated in like manner to such claims of the Lenders.



## SECTION 9. NEGATIVE COVENANTS.

Each Co-Borrower hereby covenants and agrees that on the Effective Date and thereafter for so long as this Agreement is in effect and until such time as the Total Commitment has been terminated, no Notes remain outstanding and the Loans, together with interest, Fees and all other Obligations incurred hereunder are paid in full:

9.1. Changes in Business. Neither the Company nor any of its Subsidiaries will engage in any business if, as a result, the general nature of the business, taken on a consolidated basis, which would then be engaged in by the Company and its Subsidiaries, would be substantially changed from the general nature of the business engaged in by the Company and its Subsidiaries on the date hereof.

9.2. Consolidation, Merger, Acquisitions, Sale of Assets, etc. The Company will not, and will not permit any Subsidiary to, (1) wind up, liquidate or dissolve its affairs, (2) enter into any transaction of merger or consolidation, (3) sell or otherwise dispose of any of its property or assets (but excluding any sale or disposition of inventory, or obsolete or excess furniture, fixtures, equipment or other property, in the ordinary course of business), (4) purchase, lease or otherwise acquire on a going concern basis (in one transaction or a series of related transactions) all or any part of the facilities and business operated by any person which is not a Subsidiary of the Company (excluding any purchases, leases or other acquisitions of property or assets in, and for use in, the ordinary course of business), (5) acquire any such person or any equity securities of such person, or (6) agree to do any of the foregoing at any future time, except that the following shall be permitted:

(a) Permitted Investments, etc.: the loans, advances and investments permitted pursuant to section 9.5;

(b) Certain Intercompany Mergers, etc.: if no Default or Event of Default shall have occurred and be continuing or would result therefrom, (i) the merger, consolidation or amalgamation of any Wholly-Owned Subsidiary with or into the Company or another Wholly-Owned Subsidiary, so long as in any merger, consolidation or amalgamation involving the Company it is the surviving or continuing or resulting corporation, or the liquidation or dissolution of any Subsidiary, or (ii) the transfer or other disposition of any property by the Company to any Wholly-Owned Subsidiary or by any Wholly-Owned Subsidiary to the Company or any other Wholly-Owned Subsidiary of the Company;

(c) Permitted Acquisitions: if no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Company or any Subsidiary may make Permitted

Acquisitions, provided that at least five Business Days prior to the date of any such Permitted Acquisition which involves consideration (including the amount of any assumed Indebtedness and (without duplication) any outstanding Indebtedness of any person which becomes a Subsidiary as a result of such Permitted Acquisition) of \$10,000,000 or more, the Company shall have delivered to the Administrative Agent an officer's certificate executed on behalf of the Company by an Authorized Officer of the Company, which certificate shall (A) contain the date such Permitted Acquisition is scheduled to be consummated, (B) contain the estimated purchase price of such Permitted Acquisition, (C) contain a description of the property and/or assets acquired in connection with such Permitted Acquisition, (D) demonstrate that at the time of making any such Permitted Acquisition the covenants contained in sections 9.6 through 9.8 shall be complied with on a pro forma basis as if the properties and/or assets so acquired had been owned by the Company, and the Indebtedness assumed and/or incurred to acquire and/or finance same has been outstanding, for the four fiscal quarters month period immediately preceding such acquisition for which financial statements have been delivered to the Lenders (without giving effect to any credit for unobtained or unrealized gains or any adjustments to overhead in connection with any such Permitted Acquisition), and (E) if requested by the Administrative Agent, attach thereto a true and correct copy of the then proposed purchase agreement, merger agreement or similar agreement, partnership agreement and/or other contract entered into in connection with such Permitted Acquisition;

(d) Permitted Dispositions: if no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Company or any of its Subsidiaries may

(i) sell any land, building or other property (including any related receivables or other intangible assets) to any person which is not a Subsidiary of the Company, or (ii) sell the entire capital stock (or other equity interests) and Indebtedness of any Subsidiary owned by the Company or any other Subsidiary to any person which is not a Subsidiary of the Company, or (iii) permit any Subsidiary to be merged or consolidated with a person which is not an Affiliate of the Company, or (iv) consummate any other Asset Sale with a person who is not a Subsidiary of the Company; provided that (A) the consideration for such transaction represents fair value (as determined by management of the Company), and at least 90% of such consideration consists of cash, (B) the cumulative aggregate consideration for all such transactions completed in any fiscal year does not exceed \$25,000,000, and (C) in the case of any such transaction involving consideration in excess of \$10,000,000, at least five Business Days prior to the date of completion of such transaction the Company shall have delivered to the Administrative Agent an officer's certificate

executed on behalf of the Company by an Authorized Officer of the Company, which certificate shall contain a description of the proposed transaction, the date such transaction is scheduled to be consummated, the estimated purchase price or other consideration for such transaction, financial information pertaining to compliance with the preceding clauses (A) and (B), and which shall (if requested by the Administrative Agent) include a certified copy of the draft or definitive documentation pertaining thereto; and

(e) Leases: the Company or any of its Subsidiaries may enter into leases of property or assets not constituting Permitted Acquisitions which are not otherwise in violation of this Agreement.

9.3. Liens. The Company will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets of any kind (real or personal, tangible or intangible) of the Company or any such Subsidiary whether now owned or hereafter acquired, or sell any such property or assets subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets (including sales of accounts receivable or notes with or without recourse to the Company or any of its Subsidiaries, other than for purposes of collection of delinquent accounts in the ordinary course of business) or assign any right to receive income, or file or permit the filing of any financing statement under the UCC or any other similar notice of Lien under any similar recording or notice statute, except that the foregoing restrictions shall not apply to:

(a) Existing Liens, etc.: Liens (i) in existence on the Closing Date which are listed, and the Indebtedness secured thereby and the property subject thereto on the Closing Date described, in Annex IV, or (ii) arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any such Liens, provided that the principal amount of such Indebtedness is not increased and such Indebtedness is not secured by any additional assets;

(b) Purchase Money Liens and Liens on Acquired Properties: Liens which

(i) are placed upon equipment or machinery used in the ordinary course of business of the Company or any Subsidiary at the time of (or within 180 days after) the acquisition thereof by the Company or any such Subsidiary to secure Indebtedness incurred to pay or finance all or a portion of the purchase price thereof, provided that the Lien encumbering the equipment or machinery so acquired does not encumber any other asset of the Company or any such Subsidiary;

or

(ii) are existing on property or other assets at the time acquired by the Company or any Subsidiary or on assets of a person at the time such person first becomes a Subsidiary of the Company; provided that (A) any such Liens were not created at the time of or in contemplation of the acquisition of such assets or person by the Company or any of its Subsidiaries; (B) in the case of any such acquisition of a person, any such Lien attaches only to the property and assets of such person; and (C) in the case of any such acquisition of property or assets by the Company or any Subsidiary, any such Lien attaches only to the property and assets so acquired and not to any other property or assets of the Company or any Subsidiary;

provided that (1) the Indebtedness secured by any such Lien does not exceed 100% of the fair market value of the property and assets to which such Lien attaches, determined at the time of the acquisition of such property or asset or the time at which such person becomes a Subsidiary of the Company (except in the circumstances described in clause

(ii) above to the extent such Liens constituted customary purchase money Liens at the time of incurrence and were entered into in the ordinary course of business), and (2) the Indebtedness secured thereby is permitted by section 9.4(c);

(c) Certain Tax Liens: Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with GAAP;

(d) Ordinary Course Liens, etc.: Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security; and mechanic's Liens, carrier's Liens, and other Liens to secure the performance of tenders, statutory obligations, contract bids, government contracts, performance and return-of-money bonds and other similar obligations, incurred in the ordinary course of business (exclusive of obligations in respect of the payment for borrowed money), whether pursuant to statutory requirements, common law or consensual arrangements; provided such Liens do not in the aggregate materially detract from the value of the property or assets subject thereto or materially impair the use thereof in the operation of the business of the Company or any Subsidiary;

(e) Credit Documents: Liens, if any, created by this Agreement or the other Credit Documents;

(f) Judgment Liens: Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under section 10.1(g);

(g) Leases: Leases or subleases granted to others not interfering in any material respect with the business of the Company or any of its Subsidiaries and any interest or title of a lessor under any lease not in violation of this Agreement;

(h) Leased Property: Liens arising from financing statements regarding property subject to leases not in violation of the requirements of this Agreement, provided that such Liens are only in respect of the property subject to, and secure only, the respective lease (and any other lease with the same or an affiliated lessor); and

(i) Easements and other Encumbrances: easements, rights-of-way, zoning or deed restrictions, minor encroachments, defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the ordinary conduct of the business of the Company or any of its Subsidiaries considered as an entirety.

9.4. Indebtedness. The Company will not, and will not permit any of its Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness of the Company or any of its Subsidiaries, except:

(a) Credit Documents: Indebtedness incurred under this Agreement and the other Credit Documents;

(b) Existing Indebtedness: the Existing Indebtedness (including Indebtedness incurred pursuant to commitments and lines of credit described on Annex III); and any refinancing, extension, renewal or refunding of any such Existing Indebtedness not involving an increase in the principal amount thereof or a reduction of more than 10% in the remaining weighted average life to maturity thereof (computed in accordance with standard financial practice);

(c) Priority Debt: the following Indebtedness (collectively, "Priority Debt"):

(i) Indebtedness consisting of Capital Lease Obligations of the Company and its Subsidiaries,

(ii) Indebtedness secured by a Lien on any property of the Company or any Subsidiary, and

(iii) other Indebtedness of Subsidiaries of the Company (exclusive of Indebtedness owed pursuant to any of the Credit Documents or to the Company or a Wholly-Owned Subsidiary of the Company);

provided that at the time of any incurrence thereof after the date hereof, and after giving effect thereto, (A) no Event of Default shall have occurred and be continuing or would result therefrom, (B) the aggregate outstanding principal amount of Priority Debt referred to in the foregoing clause (iii) does not exceed \$10,000,000, and (C) the aggregate outstanding principal amount (using Capitalized Lease Obligations in lieu of principal amount, in the case of any Capital Lease) of Priority Debt shall not exceed an amount equal to 10% of the Company's Consolidated Net Worth as of the end of its most recent fiscal year or fiscal quarter for which financial statements have been delivered to the Lenders hereunder;

(d) Hedge Agreements: Indebtedness of the Company or any Subsidiary under Hedge Agreements;

(e) Intercompany Debt: Indebtedness of the Company to any of its Subsidiaries, and Indebtedness of any of the Company's Subsidiaries to the Company or to another Subsidiary of the Company, in each case to the extent permitted under section 9.5;

(f) Guaranty Obligations: Guaranty Obligations permitted under section 9.5; and

(g) Additional Unsecured Debt: additional unsecured Indebtedness of the Company, to the extent not otherwise permitted pursuant to the foregoing clauses, provided that

(i) at the time of incurrence thereof, and after giving effect thereto, no Event of Default shall have occurred and be continuing or would result therefrom, (ii) Consolidated Debt shall at no time exceed 70% of Consolidated Total Capital, and (iii) at all times during a period of at least 45 consecutive days in each rolling twelve month period Consolidated Debt shall not exceed 60% of Consolidated Total Capital.

9.5. Advances, Investments, Loans and Guaranty Obligations. The Company will not, and will not permit any of its Subsidiaries to, (1) lend money or credit or make advances to any person, (2) purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, or other investment in, any person, (3) create, acquire or hold any Subsidiary, (4) be or become a party to any joint venture or partnership, or (5) be or become obligated under any Guaranty Obligations (other than those created in favor of the Lenders pursuant to the Credit Documents), except:

(a) the Company or any of its Subsidiaries may invest in cash and Cash Equivalents;

(b) any endorsement of a check or other medium of payment for deposit or collection, or any similar transaction in the normal course of business;

(c) the Company and its Subsidiaries may acquire and hold receivables owing to them in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(d) investments acquired by the Company or any of its Subsidiaries (i) in exchange for any other investment held by the Company or any such Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other investment, or

(ii) as a result of a foreclosure by the Company or any of its Subsidiaries with respect to any secured investment or other transfer of title with respect to any secured investment in default;

(e) loans, advances and investments acquired by the Company or any of its Subsidiaries in connection with (and not arising in anticipation of) Permitted Acquisitions or other transactions permitted by section 9.2;

(f) loans and advances to employees for business- related travel expenses, moving expenses, costs of replacement homes and other similar expenses, in each case incurred in the ordinary course of business, shall be permitted;

(g) investments in the capital of any Wholly-Owned Subsidiary which is (i) a Wholly-Owned Subsidiary, and (ii) not a Foreign Subsidiary;

(h) to the extent not permitted by the foregoing clauses, existing investments in any Subsidiaries (and any increases thereof attributable to increases in retained earnings);

(i) to the extent not permitted by the foregoing clauses, the existing loans, advances, investments and guarantees described on Annex V hereto;

(j) any unsecured guaranty by the Company of any Indebtedness of a Subsidiary permitted by section 9.4, and any guaranty by any Subsidiary described in section 9.4;

(k) investments of the Company and its Subsidiaries in Hedge Agreements;

(l) loans and advances by any Subsidiary of any Co- Borrower to such Co-Borrower or any other Co-Borrower, provided that the Indebtedness represented thereby constitutes Subordinated Indebtedness;

(m) loans and advances by the Company or by any Subsidiary of the Company to, or other investments in, any Subsidiary of the Company which is (i) a Subsidiary Guarantor or a Co-Borrower, and (ii) not a Foreign Subsidiary;

(n) loans and advances by any Subsidiary of the Company which is not a Subsidiary Guarantor to, or other investments by any such Subsidiary in, any other Subsidiary of the Company which is a Wholly-Owned Subsidiary;

(o) Guaranty Obligations, not otherwise permitted by the foregoing clauses, of (i) the Company or any Subsidiary in respect of leases of the Company or any Subsidiary the entry into which is not prohibited by this Agreement, (ii) the Company or any Subsidiary in respect of any other person (other than in respect of (x) Indebtedness for borrowed money or represented by bonds, notes, debentures or similar securities, or (y) Indebtedness constituting Capital Leases) arising as a matter of applicable law because the Company or such Subsidiary is or is deemed to be a general partner of such other person, or (iii) the Company or any Subsidiary in respect of any other person (other than in respect of (x) Indebtedness for borrowed money or represented by bonds, notes, debentures or similar securities, or (y) Indebtedness constituting Capital Leases) arising in the ordinary course of business;

(p) any other loans, advances, investments (whether in the form of cash or contribution of property, and if in the form of a contribution of property, such property shall be valued for purposes of this clause (o) at the fair value thereof as reasonably determined by the Company) and Guaranty Obligations, including, without limitation, in or to or for the benefit of, Subsidiaries, joint ventures, or other persons, not otherwise permitted by the foregoing clauses, made after September 30, 1997 (such loans, advances and investments, collectively, "Basket Investments", and such Guaranty Obligations, collectively "Basket Guarantees") described below: (i) if no Event of Default shall have occurred and be continuing, or would result therefrom, Basket Investments of up to an aggregate of \$30,000,000, taking into account the repayment of any loans or advances comprising such Basket Investments, shall be permitted to be made, and (ii) if no Event of Default shall have occurred and be continuing, or would result therefrom, Basket Guarantees covering up to \$25,000,000 aggregate principal amount of Indebtedness outstanding at any time, shall be permitted to be incurred.

9.6. Consolidated Debt/Consolidated EBITDA Ratio. The Company will not at any time permit the ratio of (i) the amount of its Consolidated Debt at such time to (ii) its Consolidated EBITDA for the Testing Period most recently ended, to exceed 3.00 to 1.00 at any time.



9.7. Interest Coverage Ratio. The Company will not permit its Interest Coverage Ratio for any Testing Period to be less than 3.50 to 1.00.

9.8. Minimum Consolidated Net Worth. The Company will not permit its Consolidated Net Worth as of the end of any fiscal quarter ending after December 31, 1997 to be less than the Minimum Consolidated Net Worth applicable at such time.

9.9. Transactions with Affiliates. The Company will not, and will not permit any Subsidiary to, enter into any transaction or series of transactions with any Affiliate (other than, in the case of the Company, any Subsidiary, and in the case of a Subsidiary, the Company or another Subsidiary) other than in the ordinary course of business of and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would obtain in a comparable arm's-length transaction with a person other than an Affiliate, except (i) loans, advances and investments permitted by section 9.5, (ii) sales of goods to an Affiliate for use or distribution outside the United States which in the good faith judgment of the Company complies with any applicable legal requirements of the Code, or (iii) agreements and transactions with and payments to officers, directors and equityholders which are either (A) entered into in the ordinary course of business and not prohibited by any of the provisions of this Agreement, or (B) entered into outside the ordinary course of business, approved by the directors or equityholders of the Company, and not prohibited by any of the provisions of this Agreement.

9.10. Limitation on Certain Restrictive Agreements. The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist or become effective, any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Company or any Subsidiary to create, incur or suffer to exist any Lien upon any of its property or assets as security for Indebtedness, or (b) the ability of any such Subsidiary to pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Company or any Subsidiary of the Company, or pay any Indebtedness owed to the Company or a Subsidiary of the Company, or to make loans or advances to the Company or any of the Company's other Subsidiaries, or transfer any of its property or assets to the Company or any of the Company's other Subsidiaries, except for such restrictions existing under or by reason of (i) applicable law, (ii) this Agreement and the other Credit Documents, (iii) customary provisions restricting subletting or assignment of any lease governing a leasehold interest, (iv) customary provisions restricting assignment of any licensing agreement entered into in the ordinary course of business, (v) customary provisions restricting the transfer of assets subject to Liens permitted under section 9.3(b), (vi) restrictions which do not limit dividends or

other distributions by the Company or any of its Subsidiaries which are contained in the Existing Indebtedness Agreements as in effect on the Effective Date which relate to any Existing Indebtedness which will continue outstanding following the Closing Date, (vii) any document relating to Indebtedness secured by a Lien permitted by section 9.3, insofar as the provisions thereof limit grants of junior liens on the assets securing such Indebtedness, and (viii) any operating lease or Capital Lease, insofar as the provisions thereof limit grants of a security interest in, or other assignments of, the related leasehold interest to any other person.

9.11. Plan Terminations, Minimum Funding, etc. The Company will not, and will not permit any ERISA Affiliate to, (i) terminate any Plan or plans so as to result in liability of the Company or any ERISA Affiliate to the PBGC in excess of \$1,000,000 in the aggregate, (ii) permit to exist one or more events or conditions which reasonably present a material risk of the termination by the PBGC of any Plan or Plans with respect to which the Company or any ERISA Affiliate would, in the event of such termination, incur liability to the PBGC in excess of \$1,000,000 in the aggregate, or (iii) fail to comply with the minimum funding standards of ERISA and the Code with respect to any Plan.

## SECTION 10. EVENTS OF DEFAULT.

10.1. Events of Default. The occurrence of any of the following specified events shall constitute an event of default hereunder (each an "Event of Default"):

(a) Payments: any Co-Borrower shall (i) default in the payment when due (whether at maturity, on a date for prepayment, or otherwise) of any principal of any of the Loans; or (ii) default, and such default shall continue for five or more days, in the payment when due of any interest on the Loans or any Fees or any other amounts owing hereunder or under any other Credit Document; or

(b) Representations, etc.: any representation, warranty or statement made by the Company or any other Credit Party herein or in any other Credit Document or in any statement or certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

(c) Certain Covenants: the Co-Borrowers shall default in the due performance or observance by it of any term, covenant or agreement contained in sections 9.1 through 9.8, inclusive, of this Agreement; or

(d) Other Covenants: the Co-Borrowers shall default in the due performance or observance by it of any term, covenant or agreement contained in this Agreement or any other Credit Document, other than those referred to in section 10.1(a) or (b) or (c) above, and such default is not remedied within 30 days after the earlier of (i) an officer of the any Co-Borrower obtaining actual knowledge of such default and (ii) the Treasury Manager receiving written notice of such default from the Administrative Agent or the Required Lenders (any such notice to be identified as a "notice of default " and to refer specifically to this paragraph); or

(e) Cross Default Under Other Agreements: the Company or any of its Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) owed to any Lender, or having an unpaid principal amount of \$15,000,000 or greater, and such default shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness, or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto (and all grace periods applicable to such observance, performance or condition shall have expired), or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause any such Indebtedness to become due prior to its stated maturity; or any such Indebtedness of the Company or any of its Subsidiaries shall be declared to be due and payable, or shall be required to be prepaid (other than by a regularly scheduled required prepayment or redemption, prior to the stated maturity thereof); or

(f) Other Credit Documents: the Subsidiary Guaranty (once executed and delivered) shall cease for any reason (other than termination in accordance with its terms) to be in full force and effect; or any Credit Party shall default in any payment obligation thereunder; or any Credit Party shall default in any material respect in the due performance and observance of any other obligation thereunder and such default shall continue unremedied for a period of at least 30 days after notice by the Administrative Agent or the Required Lenders; or any Credit Party shall (or seek to) disaffirm or otherwise limit its obligations thereunder otherwise than in strict compliance with the terms thereof;

or

(g) Judgments: one or more judgments or decrees shall be entered against the Company and/or any of its Subsidiaries involving a liability (other than a liability covered by insurance, as to which the carrier has adequate claims paying ability and has not reserved its rights) of \$5,000,000 or more in the aggregate for all such judgments and decrees for the Company and its Subsidiaries) and any such judgments or decrees shall not have been vacated, discharged or stayed or bonded pending appeal within 30 days (or such longer period, not in excess of 60 days, during which enforcement thereof, and the filing of any judgment lien, is effectively stayed or prohibited) from the entry thereof; or

(h) Bankruptcy, etc.: the Company, any other Co- Borrower, any Subsidiary Guarantor, or any of their respective Material Subsidiaries, or any general partner or member of any such person which is a partnership or limited liability company (the Company and each of such other persons, each a "Principal Entity") shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against the Company or any other Principal Entity and the petition is not controverted within 10 days, or is not dismissed within 60 days, after commencement of the case; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of the Company or any other Principal Entity; or the Company or any other Principal Entity commences (including by way of applying for or consenting to the appointment of, or the taking of possession by, a rehabilitator, receiver, custodian, trustee, conservator or liquidator (collectively, a "conservator") of itself or all or any substantial portion of its property) any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, liquidation, rehabilitation, conservatorship or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any other Principal Party; or any such proceeding is commenced against the Company or any other Principal Party to the extent such proceeding is consented to by such person or remains undismissed for a period of 60 days; or the Company or any other Principal Party is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any other Principal Party suffers any appointment of any conservator or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of 60 days; or the Company or any other Principal Party makes a general assignment for the benefit of creditors; or any corporate (or similar organizational) action is taken by the Company or any other Principal party for the purpose of effecting any of the foregoing; or

(i) ERISA: (i) any of the events described in clauses

(i) through (viii) of section 8.1(e) shall have occurred; or

(ii) there shall result from any such event or events the imposition of a lien, the granting of a security interest, or a liability or a material risk of incurring a liability; and (iii) any such event or events or any such lien, security interest or liability, individually, and/or in the aggregate, in the opinion of the Required Lenders, has had, or could reasonably be expected to have, a Material Adverse Effect.

10.2. Acceleration, etc. Upon the occurrence of any Event of Default, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Treasury Manager, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against any Co-Borrower or some or all of the Co-Borrowers, except as otherwise specifically provided for in this Agreement (provided that, if an Event of Default specified in section 10.1(h) shall occur with respect to the any Co-Borrower, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Total Commitment terminated, whereupon the Commitment of each Lender shall forthwith terminate immediately without any other notice of any kind; and (ii) declare the principal of and any accrued interest in respect of all Loans, and all other Obligations owing hereunder, to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Co-Borrowers.

10.3. Application of Liquidation Proceeds. All monies received by the Administrative Agent or any Lender from the exercise of remedies hereunder or under the other Credit Documents or under any other documents relating to this Agreement shall, unless otherwise required by the terms of the other Credit Documents or by applicable law, be applied as follows:

(i) first, to the payment of all expenses (to the extent not paid by the Co-Borrowers) incurred by the Administrative Agent and the Lenders in connection with the exercise of such remedies, including, without limitation, all reasonable costs and expenses of collection, attorneys' fees, court costs and any foreclosure expenses;

(ii) second, to the payment pro rata of interest then accrued on the outstanding Loans;

(iii) third, to the payment pro rata of any fees then accrued and payable to the Administrative Agent or any Lender under this Agreement in respect of the Loans;

(iv) fourth, to the payment pro rata of the principal balance then owing on the outstanding Loans;

(v) fifth, to the payment to the Lenders of any amounts then accrued and unpaid under sections 2.10, 2.11, 3.5 and 5.4 hereof, and if such proceeds are insufficient to pay such amounts in full, to the payment of such amounts pro rata;

(vi) sixth, to the payment pro rata of all other amounts owed by the Co-Borrowers to the Administrative Agent or any Lender under this Agreement or any other Credit Document; and

(vii) finally, any remaining surplus after all of the Obligations have been paid in full, to the Co-Borrowers or to whomsoever shall be lawfully entitled thereto.

## SECTION 11. THE ADMINISTRATIVE AGENT.

11.1. Appointment. Each Lender hereby irrevocably designates and appoints KeyBank as Administrative Agent to act as specified herein and in the other Credit Documents, and each such Lender hereby irrevocably authorizes KeyBank as the Administrative Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent agrees to act as such upon the express conditions contained in this section 11. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Credit Documents, nor any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent. The provisions of this section 11 are solely for the benefit of the Administrative Agent, and the Lenders, and the Company and its Subsidiaries shall not have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, the Administrative Agent shall act solely as agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation or relationship of agency or trust with or for the Company or any of its Subsidiaries.

11.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Credit Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care except to the extent otherwise required by section 11.3.

11.3. Exculpatory Provisions. Neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except for its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Company or of its Subsidiaries or any of their respective officers contained in this Agreement, any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Credit Document or for any failure of the Company or any Subsidiary of the Company or any of their respective officers to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company or any of its Subsidiaries. The Administrative Agent shall not be responsible to any Lender for the effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Agreement or any Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Administrative Agent to the Lenders or by or on behalf of the Company or any of its Subsidiaries to the Administrative Agent or any Lender or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or as to the use of the proceeds of the Loans or of the existence or possible existence of any Default or Event of Default.

11.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, facsimile transmission, telex or teletype message, statement, order or other document or conversation reasonably believed by it, in good faith, to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Company or any of its Subsidiaries with respect to matters of corporate or other organizational existence, power or authority of any of the Credit Parties), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall

in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders (or all of the Lenders, as to any matter which, pursuant to section 14.12, can only be effectuated with the consent of all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

11.5. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Treasury Manager referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders, provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

11.6. Non-Reliance. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates have made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Company or any of its Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent, or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Company and its Subsidiaries and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of the Company and its Subsidiaries. The Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, assets, property, financial and other



conditions, prospects or creditworthiness of the Company or any of its Subsidiaries which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

11.7. Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such ratably according to their respective Loans and Unutilized Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, reasonable expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent in its capacity as such in any way relating to or arising out of this Agreement or any other Credit Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted to be taken by the Administrative Agent under or in connection with any of the foregoing, but only to the extent that any of the foregoing is not paid by the Co-Borrowers, provided that no Lender shall be liable to the Administrative Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting solely from the Administrative Agent's gross negligence or willful misconduct. If any indemnity furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, the Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. The agreements in this section 11.7 shall survive the payment of all Obligations.

11.8. The Administrative Agent in Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company, its Subsidiaries and their Affiliates as though not acting as Administrative Agent hereunder. With respect to the Loans made by it and all Obligations owing to it, the Administrative Agent shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

11.9. Successor Administrative Agent. The Administrative Agent may resign as the Administrative Agent upon 20 days' notice to the Lenders and the Treasury Manager. The Treasury Manager shall appoint from among the Lenders a successor Administrative Agent for the Lenders who is willing to so act, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall include such successor agent effective upon its appointment, and

the resigning Administrative Agent's rights, powers and duties as the Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement. After the retiring Administrative Agent's resignation hereunder as the Administrative Agent, the provisions of this section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

## SECTION 12. THE TREASURY MANAGER.

12.1. Appointment. (a) Each Co-Borrower hereby irrevocably designates and appoints Magnum Management as Treasury Manager to act as specified herein and in the other Credit Documents. Each Co-Borrower hereby irrevocably authorizes Magnum Management as the Treasury Manager for such Co-Borrower, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Treasury Manager by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto, with all such actions by the Treasury Manager which purport to be on behalf of any Co-Borrower being sufficient, without any further action or authorization by any Co-Borrower, to bind all Co-Borrowers. The Treasury Manager agrees to act as such upon the express conditions contained in this section 12.

(b) All actions of the Treasury Manager taken in connection with the Credit Documents, whether so expressed or not, shall be deemed to be on behalf of, and shall bind, all Co-Borrowers, unless in taking any particular action the Treasury Manager expressly indicates in writing that such action is intended to bind only a particular specified Co-Borrower or Co-Borrowers, in which case such action shall be deemed to be on behalf of, and shall bind, only those Co-Borrowers so specified.

(c) Solely as between the Treasury Manager and the Co-Borrowers, the Treasury Manager shall have responsibility for general cash management matters of all Co-Borrowers, including the making of Borrowings, the making of all payments with respect thereto, and the disbursement and allocation of portions of the proceeds of Loans among the Co-Borrowers.

12.2. Reliance by Lenders and Administrative Agent upon Statements, etc. of Treasury Manager. The Lenders and the Administrative Agent shall be entitled to rely upon all statements, certificates, notices, consents, certificates, affidavits, letters, cablegrams, telegrams, facsimile transmissions, telex or teletype messages, orders or other documents or conversations furnished or made by the Treasury Manager pursuant to any of the provisions of this Agreement or any of the other Credit Documents, or otherwise in connection with the transactions contemplated by the Credit Documents, as being made or furnished on behalf of, and with the effect of irrevocably binding, the Co-Borrowers, without any duty to ascertain or to inquire as to the authority of the Treasury Manager in so doing.

12.3. Successor Treasury Manager. The Treasury Manager may resign as the Treasury Manager upon 20 days' notice to the Co- Borrowers and the Administrative Agent. The Co-Borrowers shall appoint from among themselves a successor Treasury Manager for the Co-Borrowers who is willing to so act, whereupon such successor manager shall upon notice to by the Co-Borrowers to the Administrative Agent and the Lenders, succeed to the rights, powers and duties of the Treasury Manager, and the term "Treasury Manager" shall include such successor manager effective upon its appointment, and the resigning Treasury Manager's rights, powers and duties as the Treasury Manager Agent shall be terminated, without any other or further act or deed on the part of such former Treasury Manager or any of the parties to this Agreement. After the retiring Treasury Manager's resignation hereunder as the Treasury Manager Agent, the provisions of this section 12 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Treasury Manager Agent under this Agreement.

#### SECTION 13. OBLIGATIONS OF CO-BORROWERS JOINT AND SERVERAL.

13.1. Nature of Obligations. The obligations of the Co- Borrowers hereunder and under all of the Credit Documents to which any Co-Borrower is a party, including without limitation in respect of the Obligations, and in respect of all representations, warranties, covenants and agreements of any Co- Borrower contained in this Agreement or any of the other Credit Documents or any other agreement, instrument, notice, consent or other document delivered in connection with the transactions contemplated by the Credit Documents, whether in existence prior to the time any Co-Borrower became a party hereto or arising thereafter, are joint and several primary obligations, whether or not so expressed in any Credit Document. It shall not be necessary for any Co-Borrower to have expressly become a party to any Credit Document executed and delivered prior to the time such Co-Borrower became a party hereto as contemplated by section 8.13 in order for such Co-Borrower to be bound as a Co-Borrower thereunder.

13.2. Failure of any Co-Borrower to Perform any Obligations. In the event any Co-Borrower or Co-Borrowers fail to make full and punctual payment of any Obligation, each other Co-Borrower shall forthwith on demand by the Administrative Agent pay the entire amount not so paid at the place and in the currency and otherwise in the manner specified in this Agreement or any other applicable agreement or instrument.

13.3. Additional Undertaking. As a separate, additional and continuing obligation, each Co-Borrower unconditionally and irrevocably undertakes and agrees, for the benefit of the Administrative Agent and the Lenders that, should any amounts not be recoverable from any other Co-Borrower under section 13.2 for

any reason whatsoever (including, without limitation, by reason of any provision of any Credit Document or any other agreement or instrument executed in connection therewith being or becoming void, unenforceable, or otherwise invalid under any applicable law) then, notwithstanding any notice or knowledge thereof by any Lender, the Administrative Agent, any of their respective Affiliates, or any other person, at any time, such Co-Borrower as sole, original and independent obligor, upon demand by the Administrative Agent, will make payment to the Administrative Agent, for the account of the Lenders and the Administrative Agent, of all such obligations not so recoverable by way of full indemnity, in such currency and otherwise in such manner as is provided in the Credit Documents or any other applicable agreement or instrument.

13.4. Joint and Several Obligations Unconditional, etc. The obligations of each Co-Borrower under this section shall be unconditional and absolute and, without limiting the generality of the foregoing shall not be released, discharged or otherwise affected by the occurrence, one or more times, of any of the following:

(i) any extension, renewal, settlement, compromise, waiver or release in respect to any Obligation under any agreement or instrument, by operation of law or otherwise;

(ii) any modification or amendment of or supplement to this Agreement, any Note, any other Credit Document, or any agreement or instrument evidencing or relating to any Obligation;

(iii) any release, non-perfection or invalidity of any direct or indirect security for any Obligation under any agreement or instrument evidencing or relating to any Obligation;

(iv) any change in the corporate existence, structure or ownership of any Co-Borrower or other Subsidiary of the Company or any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Co-Borrower or other Subsidiary of the Company or its assets or any resulting release or discharge of any obligation of any Co-Borrower or other Subsidiary of the Company contained in any agreement or instrument evidencing or relating to any Obligation;

(v) the existence of any claim, set-off or other rights which such Co-Borrower may have at any time against any other Co-Borrower or other Subsidiary of the Company, the Administrative Agent, any Lender, any Affiliate of any Lender, or any other person, whether in connection herewith or any unrelated transactions;

(vi) any invalidity or unenforceability relating to or against any other Co-Borrower or other Subsidiary of the Company for any reason of any agreement or instrument evidencing or relating to any Obligation, or any provision of applicable law or regulation purporting to prohibit the payment by any other Co-Borrower or other Subsidiary of the Company of any Obligations; or

(vii) any other act or omission to act or delay of any kind by any other Co-Borrower or other Subsidiary of the Company, the Administrative Agent, any Lender or any other person or any other circumstance whatsoever which might, but for the provisions of this section, constitute a legal or equitable discharge of such Co-Borrower's obligations under this section or the other provisions of any of the Credit Documents.

13.5. Co-Borrower's Obligations to Remain in Effect; Restoration. Each Co-Borrower's obligations under this section and the other provisions of the Credit Documents shall remain in full force and effect until the Commitments shall have terminated, and the principal of and interest on the Notes and other Obligations, and all other amounts payable by the Co- Borrowers (or any of them), or other Subsidiary of the Company, under the Credit Documents or any other agreement or instrument evidencing or relating to any of the Obligations, shall have been paid in full. If at any time any payment of any of the Obligations of any other Co-Borrower or other Subsidiary of the Company in respect of any Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such other Co-Borrower or other Subsidiary of the Company, such Co-Borrower's obligations under this section and the other provisions of the Credit Documents with respect to such payment shall be reinstated at such time as though such payment had been due but not made at such time.

13.6. Waiver of Acceptance, etc. Each Co-Borrower irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any person against any other Co-Borrower, other Subsidiary of the Company or any other person, or against any collateral or guaranty of any other person.

13.7. Subrogation. Until the indefeasible payment in full of all of the Obligations and the termination of the Commitments of the Lenders hereunder, no Co-Borrower shall have any rights, by operation of law or otherwise, upon making any payment under this section or the other provisions of any of the Credit Documents to be subrogated to the rights of the payee against any other Co-Borrower or other Subsidiary of the Company with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by any other Co-Borrower or other Subsidiary of the Company in respect thereof.

13.8. Effect of Stay. In the event that acceleration of the time for payment of any amount payable by any Co-Borrower or other Subsidiary of the Company under any Obligation is stayed upon insolvency, bankruptcy or reorganization of such other Co- Borrower or other Subsidiary, all such amounts otherwise subject to acceleration under the terms of any applicable agreement or instrument evidencing or relating to any Obligation shall nonetheless be payable by such Co-Borrower under this section and the other provisions of the Credit Documents forthwith on demand by the Administrative Agent.

## SECTION 14. MISCELLANEOUS.

14.1. Payment of Expenses, etc. The Co-Borrowers agree to: (i) whether or not the transactions herein contemplated are consummated, pay all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the negotiation, preparation, execution and delivery of the Credit Documents and the documents and instruments referred to therein and any amendment, waiver or consent relating thereto (including, without limitation, the reasonable fees and disbursements of Jones, Day, Reavis & Pogue, special counsel to the Administrative Agent), and of the Administrative Agent and each of the Lenders in connection with the enforcement of the Credit Documents and the documents and instruments referred to therein (including, without limitation, the reasonable fees and disbursements of counsel for the Administrative Agent and for each of the Lenders and any allocated costs of internal counsel for any of the Lenders); (ii) in the event of the bankruptcy, insolvency, rehabilitation or other similar proceeding in respect of the Company or any of its Subsidiaries, pay all costs of collection and defense, including reasonable attorneys' fees in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, which shall be due and payable together with all required service or use taxes; (iii) pay and hold each of the Lenders harmless from and against any and all present and future stamp and other similar taxes with respect to the foregoing matters and save each of the Lenders harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Lender) to pay such taxes; and (iv) indemnify each Lender, its officers, directors, employees, representatives and agents (collectively, the "Indemnitees") from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses reasonably incurred by any of them as a result of, or arising out of, or in any way related to, or by reason of (a) any investigation, litigation or other proceeding (whether or not any Lender is a party thereto) related to the entering into and/or performance of any Credit Document or the use of the proceeds of any Loans hereunder or the consummation of any transactions contemplated in any Credit Document, other than any such investigation, litigation or proceeding arising out of transactions solely between any of the Lenders or the Administrative Agent, transactions solely involving the assignment by a Lender of all or a portion of its Loans and Commitment, or the granting of participations therein, as provided in this Agreement, or arising solely out of any examination of a Lender by any regulatory authority having jurisdiction over it, or (b) the actual or alleged presence of Hazardous Materials in the air, surface water or groundwater or on the surface or subsurface of any Real Property owned, leased or at any time operated by the Company or any of its Subsidiaries, the release, generation, storage, transportation, handling or disposal of Hazardous Materials at any location, whether or not owned or operated by the Company or any of its Subsidiaries, if the Company or any such Subsidiary could have or is alleged to have any responsibility in respect thereof, the non-compliance of any Real Property with foreign, federal, state and local laws, regulations and ordinances (including applicable

permits thereunder) applicable to any Real Property, or any Environmental Claim asserted against the Company or any of its Subsidiaries, in respect of any Real Property owned, leased or at any time operated by the Company or any of its Subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding (but excluding any such losses, liabilities, claims, damages or expenses to the extent incurred by reason of the gross negligence or willful misconduct of the person to be indemnified or of any other Indemnatee who is such person or an Affiliate of such person). To the extent that the undertaking to indemnify, pay or hold harmless any person set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Company shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law.

14.2. Right of Setoff. In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence of an Event of Default, each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Co-Borrower or to any other person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by such Lender (including, without limitation, by branches and agencies of such Lender wherever located) to or for the credit or the account of any Co-Borrower against and on account of the Obligations and liabilities of the Co-Borrowers to such Lender under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations the Co-Borrowers purchased by such Lender pursuant to section 14.4(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

14.3. Notices. Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telegraphic, telex, facsimile transmission or cable communication) and mailed, telegraphed, telexed, transmitted, cabled or delivered, (a) if to any Co-Borrower, to it c/o the Treasury Manager at One Cedar Point Drive, Sandusky, Ohio 44870-5259, attention: Chief Financial Officer (facsimile: (419) 627-2260); (b) if to any Lender at its address specified for such Lender on Annex I hereto; (c) if to the Administrative Agent, at its Notice Office; or (d) at such other address as shall be designated by any party in a written notice to the other parties hereto. All such notices and communications shall be mailed, telegraphed, telexed, telecopied, or cabled or sent by overnight courier, and shall be effective when received.



14.4. Benefit of Agreement. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, provided that no Co-Borrower may assign or transfer any of its rights or obligations hereunder without the prior written consent of all the Lenders, and, provided, further, that any assignment by a Lender of its rights and obligations hereunder shall be effected in accordance with section 14.4(b). Notwithstanding the foregoing, each Lender may at any time grant participations in any of its rights hereunder or under any of the Notes to another financial institution or to any other "accredited investor" (as defined in SEC Regulation D), provided that in the case of any such participation, (i) the participant shall not have any rights under this Agreement or any of the other Credit Documents, including rights of consent, approval or waiver (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto), (ii) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged, (iii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iv) such Lender shall remain the holder of any Note for all purposes of this Agreement and (v) the Co-Borrowers, the Administrative Agent, and the other Lenders shall continue to deal solely and directly with the selling Lender in connection with such Lender's rights and obligations under this Agreement, and all amounts payable by the Co-Borrowers hereunder shall be determined as if such Lender had not sold such participation, except that the participant shall be entitled to the benefits of sections 2.10, 2.11 and 5.4 of this Agreement to the extent that such Lender would be entitled to such benefits if the participation had not been entered into or sold, and, provided further, that no Lender shall transfer, grant or sell any participation under which the participant shall have rights to approve any amendment to or waiver of this Agreement or any other Credit Document except to the extent such amendment or waiver would (x) extend the final scheduled maturity of the Loans in which such participant is participating (it being understood that any waiver of the making of, or the application of any mandatory prepayment of, the Loans, shall not constitute an extension of the final scheduled maturity date thereof), or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with a waiver of the applicability of any post-default increase in interest rates), or reduce the principal amount thereof, or increase such participant's participating interest in any Commitment over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of any mandatory prepayment or a mandatory reduction in the Total Commitment (or any portion thereof), or a mandatory prepayment, shall not constitute a change in the terms of any participating interest in any Commitment), or (y) release any Credit Party from

its obligations under the Subsidiary Guaranty except strictly in accordance with the terms hereof or thereof, or (z) consent to the assignment or transfer by any Co-Borrower of any of its rights and obligations under this Agreement.

(b) Notwithstanding the foregoing, (x) any Lender may assign all or a fixed portion of its Loans and/or Commitment, and its rights and obligations hereunder, to another Lender that is not a Defaulting Lender, or to an Affiliate of any Lender (including itself) and which is not a Defaulting Lender and which is a commercial bank, financial institution or other "accredited investor" (as defined in SEC Regulation D), and (y) any Lender may assign all, or if less than all, a fixed portion, equal to at least \$5,000,000 in the aggregate for the assigning Lender or assigning Lenders in the case of assignments of Loans and/or Commitments, of its Loans and/or Commitment and its rights and obligations hereunder, to one or more Eligible Transferees, each of which assignees shall become a party to this Agreement as a Lender by execution of an Assignment Agreement, provided that,

(i) in the case of any assignment of a portion of the Loans and/or Commitments of a Lender, such Lender shall retain a minimum fixed portion thereof equal to at least \$5,000,000, (ii) at the time of any such assignment Annex I shall be deemed modified to reflect the Commitments of such new Lender and of the existing Lenders, (iii) upon surrender of the old Notes, new Notes will be issued, at the Co-Borrowers' expense, to such new Lender and to the assigning Lender, such new Notes to be in conformity with the requirements of section 2.6 (with appropriate modifications) to the extent needed to reflect the revised Commitments, (iv) in the case of clause (y) only, the consent of the Administrative Agent shall be required in connection with any such assignment (which consent shall not be unreasonably withheld or delayed), and (v) the Administrative Agent shall receive at the time of each such assignment, from the assigning or assignee Lender, the payment of a non-refundable assignment fee of \$3,500 and, provided further, that such transfer or assignment will not be effective until recorded by the Administrative Agent on the Lender Register maintained by it as provided herein. To the extent of any assignment pursuant to this section 14.4 (b) the assigning Lender shall be relieved of its obligations hereunder with respect to its assigned Commitments. At the time of each assignment pursuant to this section 14.4(b) to a person which is not already a Lender hereunder and which is not a United States person (as such term is defined in section 7701(a)(30) of the Code) for Federal income tax purposes, the respective assignee Lender shall provide to the Treasury Manager and the Administrative Agent the appropriate Internal Revenue Service Forms (and, if applicable a Section 5.4(b)(ii) Certificate) described in section 5.4(b). To the extent that an assignment of all or any portion of a Lender's Commitment and related outstanding Obligations pursuant to this section 14.4(b) would, at the time of such assignment, result in increased costs under section 2.11 from those being charged by the respective assigning Lender prior to such assignment, then the Co-Borrowers shall not be obligated to

pay such increased costs (although the Co-Borrowers shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective assignment). Nothing in this section 14.4(b) shall prevent or prohibit any Lender from pledging its Notes or Loans to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank.

(c) Notwithstanding any other provisions of this section 14.4, no transfer or assignment of the interests or obligations of any Lender hereunder or any grant of participation therein shall be permitted if such transfer, assignment or grant would require the Co-Borrowers to file a registration statement with the SEC or to qualify the Loans under the "Blue Sky" laws of any State.

(d) Each Lender initially party to this Agreement hereby represents, and each person that became a Lender pursuant to an assignment permitted by this section 14.4 will, upon its becoming party to this Agreement, represent that it is a commercial lender, other financial institution or other "accredited" investor (as defined in SEC Regulation D) which makes or acquires loans in the ordinary course of its business and that it will make or acquire Loans for its own account in the ordinary course of such business, provided that subject to the preceding sections 14.4(a) and (b), the disposition of any promissory notes or other evidences of or interests in Indebtedness held by such Lender shall at all times be within its exclusive control.

14.5. No Waiver: Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between any Co-Borrower and the Administrative Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Administrative Agent or any Lender would otherwise have. No notice to or demand on any Co-Borrower in any case shall entitle such Co-Borrower or any other Co-Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent or the Lenders to any other or further action in any circumstances without notice or demand.

14.6. Payments Pro Rata. (a) The Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Co-Borrowers (or any of them) in respect of any Obligations, it shall distribute such payment to the Lenders (other than any Lender that has expressly waived in writing its right to receive its pro rata share thereof) pro rata based upon their

respective shares, if any, of the Obligations with respect to which such payment was received. As to any such payment received by the Administrative Agent prior to 1:00 P.M. (local time at the Payment Office) in funds which are immediately available on such day, the Administrative Agent will use all reasonable efforts to distribute such payment in immediately available funds on the same day to the Lenders as aforesaid.

(b) Each of the Lenders agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise) which is applicable to the payment of the principal of, or interest on, the Loans or Fees, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Obligation then owed and due to such Lender bears to the total of such Obligation then owed and due to all of the Lenders immediately prior to such receipt, then such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Obligations to such Lenders in such amount as shall result in a proportional participation by all of the Lenders in such amount, provided that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding sections 14.6(a) and (b) shall be subject to the express provisions of this Agreement which require, or permit, differing payments to be made to Lenders which are not Defaulting Lenders, as opposed to Defaulting Lenders.

14.7. Financial Calculations; Computations of Interest and Fees. (a) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with GAAP consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by any of the Co-Borrowers to the Lenders); provided, that if at any time the computations determining compliance with section 9 utilize accounting principles different from those utilized in the financial statements furnished to the Lenders, such computations shall set forth in reasonable detail a description of the differences and the effect upon such computations.

(b) All computations of interest on Eurodollar Loans hereunder and all computations of Facility Fee and other Fees hereunder shall be made on the actual number of days elapsed over a year of 360 days, and all computations of interest on Prime Rate Loans hereunder shall be made on the actual number of days elapsed over a year of 365 or 366 days, as the case may be.

14.8. Governing Law; Submission to Jurisdiction; Venue; Waiver of Jury Trial. (a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF OHIO. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH CO-BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF OHIO GOVERNS THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS. Any legal action or proceeding with respect to this Agreement or any other Credit Document may be brought in the Court of Common Pleas of Cuyahoga County, Ohio, or of the United States for the Northern District of Ohio, and, by execution and delivery of this Agreement, each Co-Borrower hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Co-Borrower hereby further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Co-Borrower at its address for notices pursuant to section 14.3, such service to become effective 30 days after such mailing or at such earlier time as may be provided under applicable law. Nothing herein shall affect the right of the Administrative Agent or any Lender to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Co-Borrower in any other jurisdiction.

(b) Each Co-Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement or any other Credit Document brought in the courts referred to in section 14.8(a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) Each of the parties to this Agreement hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement, the other Credit Documents or the transactions contemplated hereby or thereby.

14.9. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same agreement. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

14.10. Effectiveness. This Agreement shall become effective on the date (the "Effective Date") on which the Co- Borrowers who are intended to be the initial Co-Borrowers hereunder and each of the Lenders shall have signed a copy hereof (whether the same or different copies) and shall have delivered the same to the Administrative Agent at the Notice Office of the Administrative Agent or, in the case of the Lenders, shall have given to the Administrative Agent telephonic (confirmed in writing), written telex or facsimile transmission notice (actually received) at such office that the same has been signed and mailed to it.

14.11. Headings Descriptive. The headings of the several sections and other portions of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.12. Amendment or Waiver. Neither this Agreement nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Co-Borrowers (or the Treasury Manager on behalf of all Co-Borrowers) and the Required Lenders, provided that no such change, waiver, discharge or termination shall, without the consent of each Lender (other than a Defaulting Lender) directly affected thereby,

(i) extend any maturity date provided for herein applicable to a Loan or a Commitment (it being understood that any waiver of the making of, or application of, any mandatory prepayment of the Loans shall not constitute an extension of the maturity thereof);

(ii) reduce the rate or extend the time of payment of interest (other than as a result of waiving the applicability of any post-default increase in interest rates) or Fees thereon;

(iii) reduce the principal amount thereof, or increase any Commitment of any Lender over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of any mandatory prepayment or a mandatory reduction in the Total Commitment (or any component thereof) shall not constitute a change in the terms of any Commitment of any Lender);

(iv) release any Co-Borrower from its obligations as a Co-Borrower hereunder, except with the consent of all Lenders in accordance with section 8.13;

(v) release any Credit Party from the Subsidiary Guaranty, except in connection with a transaction permitted by section 9.2(d);

(vi) release all or any substantial portion of any collateral which may have been provided by any Credit Party to the Administrative Agent as security for the Obligations, except as expressly provided in the Credit Documents;

(vii) change the definition of the term "Change of Control" or any of the provisions of section 4.2 or 5.2 which are applicable upon a Change of Control;

(viii) change the definition of the term "Determination of Taxability" or any of the provisions of section 4.2 or 5.2 which are applicable upon a Determination of Taxability;

(ix) change the definition of the term "Permitted Acquisition" or any of the provisions of section 9.2(c) which are applicable to Permitted Acquisitions which would have the effect of depriving such Lender of its rights with respect to "hostile acquisitions" as contemplated by such definition;

(x) reduce the percentage specified in, or otherwise modify, the definition of Required Lenders;

(xi) amend, modify or waive any provision of this section 14.12, or section 11.7, 14.1, 14.4, 14.6 or 14.7(b);

(xii) amend, modify or waive any other provision of any of the Credit Documents pursuant to which the consent or approval of all Lenders is by the terms of such provision explicitly required; or

(xiii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement.

No provision of section 11 may be amended without the consent of the Administrative Agent.

14.13. Survival of Indemnities. All indemnities set forth herein including, without limitation, in section 2.10, 2.11, 5.4, 11.7 or 14.1 shall survive the execution and delivery of this Agreement and the making and repayment of Loans.

14.14. Domicile of Loans. Each Lender may transfer and carry its Loans at, to or for the account of any branch office, subsidiary or affiliate of such Lender, provided that the Co- Borrowers shall not be responsible for costs arising under section 2.10 or 5.4 resulting from any such transfer (other than a transfer pursuant to section 2.12) to the extent not otherwise applicable to such Lender prior to such transfer.

14.15. Confidentiality. The Administrative Agent and each Lender shall hold all non-public information obtained pursuant to the requirements of this Agreement which has been identified as such by the Treasury Manager in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices. Notwithstanding the foregoing, the Administrative Agent and any Lender may in any event may make disclosures of, and furnish copies of such information:

(i) to another Lender or to the Administrative Agent;

(ii) when reasonably required by any bona fide transferee or participant in connection with the contemplated transfer of any Loans or Commitment or participation therein (provided that each such prospective transferee and/or participant shall execute an agreement for the benefit of the Co-Borrowers with such prospective transferor Lender and/or participant containing provisions substantially identical to those contained in this section 14.15);

(iii) to its parent corporation or corporations, and to its and their auditors and attorneys; and

(iv) as required or requested by any governmental agency or representative thereof, or pursuant to legal process, provided that, unless specifically prohibited by applicable law or court order, the Administrative Agent or such Lender, as applicable, shall notify the Treasury Manager of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of the Administrative Agent or such Lender, as applicable, by such governmental agency), and of any other request pursuant to legal process, for disclosure of any such non-public information prior to disclosure of such information.

In no event shall the Administrative Agent or any Lender be obligated or required to return any materials furnished by or on behalf of the Company or any of its Subsidiaries. Each Co-Borrower hereby agrees that the failure of the Administrative Agent or a Lender to comply with the provisions of this section 14.15 shall not relieve any Co-Borrower of any of the obligations to the Administrative Agent or any Lender under this Agreement and the other Credit Documents.

14.16. Lender Register. Each Co-Borrower hereby designates the Administrative Agent to serve as its agent, solely for purposes of this section 14.16, to retain a copy of each Assignment Agreement delivered to and accepted by it and to maintain a register (the "Lender Register") on or in which it will record the names and addresses of the Lenders, and the Commitments from time to time of each of such Lenders, the Loans made to the Co-Borrowers by each of such Lenders and each repayment and prepayment in respect of the principal amount of such Loans of each such Lender. Failure to make any such recordation, or (absent manifest error) any error in such recordation, shall not affect the Co-Borrowers' obligations in respect of such Loans. With respect to any Lender, the transfer of any Commitment of such Lender and the rights to the principal of, and interest on, any Loan made pursuant to such Commitment shall not be effective until such transfer is recorded



on the Lender Register maintained by the Administrative Agent with respect to ownership of such Commitment and Loans and prior to such recordation all amounts owing to the transferor with respect to such Commitment and Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Commitment and Loans shall be recorded by the Administrative Agent on the Lender Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment Agreement pursuant to section 14.4(b). Each Co-Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this section 14.16. The Lender Register shall be available for inspection by the Treasury Manager or any Lender at any reasonable time and from time to time upon reasonable prior notice.

14.17. General Limitation of Liability. No claim may be made by any Co-Borrower, any Lender, the Administrative Agent, or any other person against the Administrative Agent or any other Lender or the Affiliates, directors, officers, employees, attorneys or agents of any of them for any damages other than actual compensatory damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any of the other Credit Documents, or any act, omission or event occurring in connection therewith; and each of the Co-Borrowers, each Lender, and the Administrative Agent hereby, to the fullest extent permitted under applicable law, waives, releases and agrees not to sue or counterclaim upon any such claim for any special, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in its favor.

14.18. No Duty. All attorneys, accountants, appraisers, consultants and other professional persons (including the firms or other entities on behalf of which any such person may act) retained by the Administrative Agent or any Lender with respect to the transactions contemplated by the Credit Documents shall have the right to act exclusively in the interest of the Administrative Agent or such Lender, as the case may be, and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to any Co-Borrower, to any of its Subsidiaries, or to any other person, with respect to any matters within the scope of such representation or related to their activities in connection with such representation.

14.19. Lenders and Agent Not Fiduciary to Co-Borrowers, etc. The relationship among the Company and its Subsidiaries, on the one hand, and the Administrative Agent and the Lenders, on the other hand, is solely that of debtor and creditor, and the Administrative Agent and the Lenders have no fiduciary or other special relationship with the Company and its Subsidiaries, and no term or provision of any Credit Document, no course of dealing, no written or oral communication, or other action, shall be construed so as to deem such relationship to be other than that of debtor and creditor.

14.20. Survival of Representations and Warranties. All representations and warranties herein shall survive the making of Loans hereunder, the execution and delivery of this Agreement, the Notes and the other documents the forms of which are attached as Exhibits hereto, the issue and delivery of the Notes, any disposition thereof by any holder thereof, and any investigation made by the Administrative Agent or any Lender or any other holder of any of the Notes or on its behalf. All statements contained in any certificate or other document delivered to the Administrative Agent or any Lender or any holder of any Notes by or on behalf of any Co-Borrower or of its Subsidiaries pursuant hereto or otherwise specifically for use in connection with the transactions contemplated hereby shall constitute representations and warranties by the Co-Borrowers hereunder, made as of the respective dates specified therein or, if no date is specified, as of the respective dates furnished to the Administrative Agent or any Lender.

14.21. Limited Liability of Partners of Co-Borrowers as Such. Anything in this Agreement, the Notes or the other Credit Documents to the contrary notwithstanding, the Lenders and the Administrative Agent agree that no recourse under this Agreement, the Notes or any other Credit Document shall be had against the general partner of the Company, or any other partner of the Company or any other Co-Borrower, or any partner of any such partner, as such (all of the foregoing, collectively, the "Exempted Persons"), whether based on agency, deputization or otherwise, by the enforcement of any assessment or by legal or equitable proceeding, by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the general partner of the Company, any other partner of the Company or any other Co-Borrower, or any partner of any such partner, as such, under this Agreement, the Notes or any other Credit Document; provided, that the foregoing limitation of liability shall in no way constitute a limitation on the right of the Administrative Agent or any Lender to enforce their remedies against the Company, any other Co-Borrower or any other Credit Party or their respective properties and assets, or any other person (other than an Exempted Person, as such), for the collection of amounts due and owing under the Credit Documents or any other obligations under any of the Credit Documents.

[The balance of this page is intentionally blank.] IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

CEDAR FAIR, L. P.,  
as a Co-Borrower  
By: Cedar Fair Management  
Company, its Managing General  
Partner

By: \_\_\_\_\_  
Vice President & Chief  
Financial Officer

KEYBANK NATIONAL ASSOCIATION,  
individually as a Lender and as  
Administrative Agent

By: \_\_\_\_\_  
Vice President

CEDAR FAIR, an Ohio general  
partnership, as a Co-Borrower  
By: Magnum Management  
Corporation one of its  
general partners

By: \_\_\_\_\_  
Vice President & Chief  
Financial Officer

BANK ONE, MICHIGAN

By: \_\_\_\_\_  
Vice President

KNOTT'S BERRY FARM,  
as a Co-Borrower  
By: Magnum Management  
Corporation one of its  
general partners

By: \_\_\_\_\_  
Vice President & Chief  
Financial Officer

NATIONAL CITY BANK

By: \_\_\_\_\_  
Assistant Vice President

MAGNUM MANAGEMENT CORPORATION,  
as a Co-Borrower and as  
Treasury Manager

By: \_\_\_\_\_  
Vice President & Chief  
Financial Officer

FIRST UNION NATIONAL BANK

By: \_\_\_\_\_  
Vice President

FIFTH THIRD BANK, NORTHEASTERN OHIO

By: \_\_\_\_\_  
Vice President

## ARTICLE 5

PERIOD TYPE	12 MOS
FISCAL YEAR END	DEC 31 1999
PERIOD END	DEC 31 1999
CASH	638
SECURITIES	0
RECEIVABLES	7,457
ALLOWANCES	0
INVENTORY	11,951
CURRENT ASSETS	24,184
PP&E	873,893
DEPRECIATION	199,253
TOTAL ASSETS	708,961
CURRENT LIABILITIES	86,559
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	344,696
OTHER SE	5,290
TOTAL LIABILITY AND EQUITY	349,986
SALES	438,001
TOTAL REVENUES	438,001
CGS	49,404
TOTAL COSTS	321,246
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	15,371
INCOME PRETAX	101,384
INCOME TAX	15,580
INCOME CONTINUING	85,804
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	85,804
EPS BASIC	1.64
EPS DILUTED	1.63

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